

**CITY OF NEW IBERIA  
FINANCIAL REPORT  
OCTOBER 31, 2014**



CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

ANNUAL FINANCIAL REPORT  
YEAR ENDED OCTOBER 31, 2014

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## INDEPENDENT AUDITORS' REPORT

The Honorable Hilda Curry,  
and Members of the City Council  
City of New Iberia, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, Louisiana, as of and for the year ended October 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City Court of New Iberia, which represent 48.32%, 46.74%, and 84.02%, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City Court of New Iberia, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information for the City of New Iberia, Louisiana, as of October 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 66 through 70 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Iberia, Louisiana's basic financial statements. The other supplementary information on pages 72 through 82 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the budgetary comparison schedules, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures are fairly stated in relation to the basic financial statements taken as a whole. The budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2015, on our consideration of the City of New Iberia, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

New Iberia, Louisiana  
April 1, 2015

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As financial management of the City of New Iberia (the "City"), we offer readers of this financial statement an overview and analysis of the financial activities of the City. This narrative is designed to assist the reader in focusing on significant financial issues, identify changes in the City's financial position, identify any material deviations from the approved budget documents, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial statements.

**HIGHLIGHTS**

- Assets and deferred outflows of the City's primary government exceeded its liabilities at the close of the most recent fiscal year by \$69.0 million (net position). The City reported a deficit in unrestricted net position of \$2.0 million.
- The City's primary government net position increased by \$2.1 million (3.2%) during 2014. Governmental activities net position increased \$1.5 million during 2014 while the business-type activities net position increased \$0.6 million.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$15.5 million, an increase of \$0.7 million in comparison with the prior year. Approximately 15.8% of this total amount, \$2.4 million, is unassigned.
- Resources available for appropriation in the General Fund were \$0.5 million more than budgeted while expenditures and transfers were \$0.8 million less than budgeted for the year.
- At October 31, 2014, unassigned fund balance for the General Fund was \$2.4 million or 40.0% of total 2014 General Fund fund balance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has been greatly changed. The new statements focus on the City as a whole (government-wide) and the major individual funds. Both perspectives (government-wide and major fund) allow the reader to address relevant questions, broaden a basis for comparison (year to year or government to government), and should enhance the City's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements combine governmental fund's current financial resources

with capital assets and long-term obligations. Also presented in the government-wide financial statements is a column for the business-type activities of the City. Component units are separate legal governmental entities to which the City may be obligated to provide financial assistance and are presented as a separate column in the government-wide statements and as individual activities in the fund financial statements.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, uncollected taxes and earned but unused annual leave result in cash flows for future periods. The focus of the statement of activities is on both the gross and net cost of various activities that are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of the cost and/or subsidy of various governmental services and business-type activities and component units.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services including general government (executive, legislative, judicial, finance, administrative services), public safety (fire and law enforcement), streets and drainage, culture and recreation, and urban redevelopment and housing. These services are financed primarily with taxes. The business-type activities reflect private sector type operations where the fee for service typically covers all or most of the cost of operations including depreciation. The City's wastewater treatment operations are reported here.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of New Iberia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus is on major funds, rather than generic fund types.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major funds presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

The City has presented the General Fund, the Sales Tax Fund, and the Garbage Fund

as major funds. All nonmajor governmental funds are presented in one column, titled Other Governmental Funds. Combining financial statements of the nonmajor funds can be found in the other supplementary information section which follows the basic financial statements.

**Proprietary Fund** represents an enterprise fund in the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its wastewater treatment operations.

**Fiduciary Funds** are used to account for resources held by the City in a trustee capacity or as an agent for others. These funds are restricted in purpose and do not represent discretionary assets of the City. Therefore, these assets are not presented as part of the government-wide financial statements.

The total column for the governmental funds in the fund financial statements requires reconciliation to those amounts presented in the government-wide statements. The governmental funds differences result from the different measurement focus and the reconciliation is presented on the pages following each statement. The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the government-wide statements. There is no reconciliation for the proprietary fund.

#### **Capital Assets**

General capital assets include land, land improvements, buildings, vehicles, equipment, and infrastructure, and all other assets of a tangible nature that are used in operations and that exceed the City's capitalization threshold (See Note 4). The City has capitalized all purchased and donated capital assets and infrastructure general capital assets. Prior to the implementation of the new reporting model, no depreciation was charged on general capital assets. Accumulated depreciation was recorded for the first time in the 2003 financial statements based on the date of acquisition and the life span of the asset.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, the budgetary comparison schedules. These schedules can be found in this report.

The other supplementary information section is presented immediately following the required supplementary information.

Also included in the report is the Office of Management and Budget A-133 Single Audit auditor reports, findings and schedules.

# **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table reflects the condensed statement of net position for 2014, with comparative figures from 2013:

**Table 1**  
City of New Iberia  
Condensed Statement of Net Position  
October 31, 2014 and 2013  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets:</b>						
Current and other assets	\$ 17.7	\$ 18.6	\$ 1.0	\$ 0.8	\$ 18.7	\$ 19.4
Restricted assets	0.0	0.0	0.3	0.3	0.3	0.3
Capital assets	<u>42.3</u>	<u>43.8</u>	<u>47.7</u>	<u>47.7</u>	<u>90.0</u>	<u>91.5</u>
Total assets	<u>\$ 60.0</u>	<u>\$ 62.4</u>	<u>\$ 49.0</u>	<u>\$ 48.8</u>	<u>\$109.0</u>	<u>\$111.2</u>
Deferred outflows	<u>\$ 0.4</u>	<u>\$ 0.4</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 0.5</u>	<u>\$ 0.5</u>
<b>Liabilities:</b>						
Current liabilities	\$ 3.4	\$ 4.9	\$ 1.2	\$ 2.4	\$ 4.6	\$ 7.3
Long-term liabilities	<u>28.8</u>	<u>31.2</u>	<u>7.1</u>	<u>6.3</u>	<u>35.9</u>	<u>37.5</u>
Total liabilities	<u>\$ 32.2</u>	<u>\$ 36.1</u>	<u>\$ 8.3</u>	<u>\$ 8.7</u>	<u>\$ 40.5</u>	<u>\$ 44.8</u>
<b>Net position:</b>						
Invested in capital assets, net of debt	\$ 18.8	\$ 19.1	\$ 40.3	\$ 41.3	\$ 59.1	\$ 60.4
Restricted	11.7	10.6	0.2	0.2	11.9	10.8
Unrestricted	<u>(2.3)</u>	<u>(3.0)</u>	<u>(0.3)</u>	<u>(1.3)</u>	<u>(2.0)</u>	<u>(4.3)</u>
Total net position	<u>\$ 28.2</u>	<u>\$ 26.7</u>	<u>\$ 40.8</u>	<u>\$ 40.2</u>	<u>\$ 69.0</u>	<u>\$ 66.9</u>

2013 amounts were restated in accordance with the implementation of GASB 65. See Note 14 for more information.

The City's combined net position at year end total \$69.0 million. Approximately 85.7% (\$59.1 million) of the City's net position as of October 31, 2014 reflects the City's investment in capital assets (land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 17.1% (\$11.9 million) of the City's net position are subject to external restrictions on how they may be used. The City reported a deficit in unrestricted net position of \$2.0 million.

The unrestricted deficit in net position of \$2.3 million is due to the City's other post employment benefits (OPEB) obligation. The City has historically paid these benefits on a pay-as-you-go basis. In fiscal year 2008-2009, the Governmental Accounting Standards Board (GASB) began implementation of GASB 45 which required the City to begin the financial recognition of future benefits to employees in the period in which the benefit is earned. Additional information on the City's OPEB obligation can be found in Note 12 of this report.

Table 2 below provides a summary of the changes in net position for the year ended October 31, 2014, with comparative figures from 2013:

**Table 2**  
City of New Iberia  
Condensed Statement of Changes in Net Position  
For the Years Ended October 31, 2014 and 2013  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues -						
Fees, fines, and charges for services	\$ 0.5	\$ 0.5	\$ 5.4	\$ 4.7	\$ 5.9	\$ 5.2
Operating grants and contributions	1.7	1.5	0.0	0.0	1.7	1.5
Capital grants and contributions	1.4	1.1	1.0	0.0	2.4	1.1
General revenues -						
Property taxes	4.4	4.2	0.0	0.0	4.4	4.2
Sales and use taxes	15.0	14.9	0.0	0.0	15.0	14.9
Franchise fees	1.8	1.8	0.0	0.0	1.8	1.8
Occupational	1.5	1.5	0.0	0.0	1.5	1.5
Investment income	0.1	0.2	0.0	0.0	0.1	0.2
Other	0.6	2.0	0.1	0.1	0.7	2.1
Total revenues	<u>\$ 27.0</u>	<u>\$ 27.7</u>	<u>\$ 6.5</u>	<u>\$ 4.8</u>	<u>\$ 33.5</u>	<u>\$ 32.5</u>
Expenses:						
General government	\$ 2.1	\$ 1.9	\$ 0.0	\$ 0.0	\$ 2.1	\$ 1.9
Public safety	11.3	11.0	0.0	0.0	11.3	11.0
Public works	6.5	6.3	0.0	0.0	6.5	6.3
Culture and recreation	1.2	1.3	0.0	0.0	1.2	1.3
Urban redevelopment and housing	1.2	1.3	0.0	0.0	1.2	1.3
Unallocated depreciation	2.1	2.1	0.0	0.0	2.1	2.1
Wastewater	0.0	0.0	5.9	6.0	5.9	6.0
Interest on long-term debt	1.1	1.3	0.0	0.0	1.1	1.3
Total expenses	<u>\$ 25.5</u>	<u>\$ 25.2</u>	<u>\$ 5.9</u>	<u>\$ 6.0</u>	<u>\$ 31.4</u>	<u>\$ 31.2</u>
Increase (decrease) in net position before transfers	\$ 1.5	\$ 2.5	\$ 0.6	\$ (1.2)	\$ 2.1	\$ 1.3
Transfers	<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>0.0</u>	<u>0.0</u>
Change in net position	\$ 1.5	\$ 2.5	\$ 0.6	\$ (1.2)	\$ 2.1	\$ 1.3
Net position, November 1	<u>26.7</u>	<u>24.2</u>	<u>40.2</u>	<u>41.4</u>	<u>66.9</u>	<u>65.6</u>
Net position, October 31	<u>\$ 28.2</u>	<u>\$ 26.7</u>	<u>\$ 40.8</u>	<u>\$ 40.2</u>	<u>\$ 69.0</u>	<u>\$ 66.9</u>

2013 amounts were restated in accordance with the implementation of GASB 65. See Note 14 for more information.

The City's total revenues were \$33.5 million and the total cost of all programs and services was \$31.4 million. Therefore, net position increased by \$2.1 million for the year. Our analysis below separately describes the operations of governmental and business-type activities.

*Governmental Activities* net position increased \$1.5 in 2014. The cost of all governmental activities this year was \$25.5 million. As shown in the statement of activities, the amount that our taxpayers financed was \$23.4 million because some of the cost was paid by those who directly benefited from the programs (\$0.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$3.1 million). Program revenues only covered 14.1% of total costs. The remainder was paid with taxes and other revenues, such as investment income.

The City's largest activities in governmental activities are public safety and public works, with \$11.3 and \$6.5 million, respectively, of resources applied thereto.

*Business Type Activities* net position increased \$0.6 in 2014. Charges for services make up the majority of the revenues in the business-type activities.

#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds:* The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Spendable resources are further classified into restricted, committed, assigned, and unassigned. This balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$15.5 million, an increase of \$0.7 million in comparison with the prior year. Approximately 15.8% of this total amount (\$2.4 million) constitutes unassigned fund balance, 82.4% (\$12.8 million) is restricted and 1.8% (\$0.3 million) is assigned.

The General Fund is the chief operating fund of the City of New Iberia. At the end of the fiscal year, total fund balance of the General Fund was \$6.1 million, \$2.4 million of which was unassigned. Fund balance in the General Fund increased by \$0.4 million during 2014.

*Proprietary Fund:* The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. As of the end of the current fiscal year, the City's proprietary fund reported ending net position of \$40.8 million, which is an increase of \$0.6 million from the prior fiscal year.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

In the City's General Fund, revenues and expenditures were adjusted minimally. Additionally, transfers out were increased by approximately \$0.5 million.

When actual results for 2014 are compared with the final budget, revenue collections, including transfers, exceeded budgeted amounts and expenditures and transfers were less than the budgeted amounts.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities as of October 31, 2014 amounts to \$90.0 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, wastewater facilities, and infrastructure. The net decrease in the City's investment in capital assets for the current fiscal year was 1.6%.

**Table 3**  
CITY OF NEW IBERIA  
Capital Assets  
(Net of Depreciation)  
October 31, 2014 and 2013  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 3.4	\$ 3.3	\$ 1.4	\$ 1.4	\$ 4.8	\$ 4.7
Land improvements	1.1	0.8	0.0	0.0	1.1	0.8
Buildings and improvements	4.5	4.7	0.4	0.4	4.9	5.1
Equipment	1.9	2.1	0.9	0.3	2.8	2.4
Infrastructure	30.7	32.3	0.0	0.0	30.7	32.3
Sewer plant and equipment	0.0	0.0	42.6	44.0	42.6	44.0
Construction in process	<u>0.7</u>	<u>0.6</u>	<u>2.4</u>	<u>1.6</u>	<u>3.1</u>	<u>2.2</u>
Total	<u>\$ 42.3</u>	<u>\$ 43.8</u>	<u>\$ 47.7</u>	<u>\$ 47.7</u>	<u>\$ 90.0</u>	<u>\$ 91.5</u>

Additional information on the City's capital assets can be found in Note 4 of this report.

**Long-Term Debt:** At the end of the current fiscal year, the City had total bonded debt outstanding of \$33.2 million. This amount is backed by the full faith and credit of the City.

**Table 4**  
CITY OF NEW IBERIA  
Summary of Outstanding Debt at Year-End  
October 31, 2014 and 2013  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 11.5	\$ 12.4	\$ 0.0	\$ 0.0	\$ 11.5	\$ 12.4
Certificates of indebtedness	1.7	2.0	0.0	0.0	1.7	2.0
Notes and loans payable	12.2	13.0	5.6	6.1	17.8	19.1
Revenue bonds	0.0	0.0	1.4	0.1	1.4	0.1
Issue premiums	0.5	0.6	0.3	0.3	0.8	0.9
Compensated absences	0.5	0.5	0.2	0.2	0.7	0.7
OPEB obligation	4.5	4.7	0.0	0.0	4.5	4.7
Total	<u>\$ 30.9</u>	<u>\$ 33.2</u>	<u>\$ 7.5</u>	<u>\$ 6.7</u>	<u>\$ 38.4</u>	<u>\$ 39.9</u>

The City of New Iberia's total debt decreased during the year by \$1.5 million. During the prior year, authorization was received to incur revenue bonds of \$6.4 million for wastewater system improvements. Debt proceeds are received as the expenses are incurred. Of the approved \$6.4 million, \$1.4 million was received. Total scheduled principal payments were \$2.4 during the year.

As of October 31, 2014, the City's general obligation bonds have been rated by Standard and Poors as A+. Additionally, the City's obligations issued through the Louisiana Local Government Environmental Facilities and Community Development Authority (LLGEFCDA) have been rated by Standard and Poors as A.

Computation of the legal debt margin for general obligation bonds is as follows:

Ad Valorem Taxes:

Assessed Valuation	<u>\$195,927,828</u>
Debt Limit: 10% of Assessed Valuation (for any one purpose)	<u>\$ 19,592,783</u>
Debt Limit: 35% of Assessed Valuation (aggregate, all purposes)	<u>\$ 68,574,740</u>

The Louisiana Revised Statutes limit the City's bonded debt for any one purpose to 10% of the assessed valuation of the taxable property and 35% for all purposes. The City of New Iberia has complied with this statute for the fiscal year ended October 31, 2014.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following factors were considered when preparing the fiscal year 2015 budget:

- Property taxes which account for approximately 11.5% of the City's total revenues were projected to remain at the same level as the 2014 projections.
- Sales and use taxes which account for approximately 39.1% of the City's total revenues were projected to decline by 1%.

- Sewer user fees which account for approximately 13.3% of the City's total revenues were projected to increase in accordance with the estimated increase in CPI.
- Annual cost of living salary increases were included in the 2015 budget for City employees. Retirement costs were increased to account for anticipated increases in the employer contribution rates. Group health insurance was increased by 5% to account for estimated premium increases.
- Appropriations in the General Fund total \$13.7 million, an increase of \$0.3 million over the 2014 actual expenditures reported.
- If budget estimates are met, the City's budgetary General Fund unassigned fund balance is expected to remain the same by the close of 2015.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of New Iberia's finances and to demonstrate accountability for monies received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of New Iberia, 457 E. Main Street, Suite 300, New Iberia, Louisiana 70560.

BASIC FINANCIAL STATEMENTS

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CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF NET POSITION  
October 31, 2014

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 14,589,570	\$ 293,192	\$ 14,882,762	\$ 236,265
Accounts receivable	302,730	378,260	680,990	4,375
Assessments receivable	199,800	-	199,800	-
Due from other governmental agencies	2,569,987	315,452	2,885,439	-
Due from external parties	-	-	-	38,797
Real estate held for resale	61,343	-	61,343	-
Other assets	260	-	260	-
Restricted assets	-	309,270	309,270	-
Capital assets:				
Non-depreciable	4,138,686	3,823,089	7,961,775	-
Depreciable, net	38,187,821	43,831,403	82,019,224	1,677
Total assets	<u>\$ 60,050,197</u>	<u>\$ 48,950,666</u>	<u>\$109,000,863</u>	<u>\$ 281,114</u>
DEFERRED OUTFLOWS				
Deferred loss on refunding	<u>\$ 366,407</u>	<u>\$ 55,068</u>	<u>\$ 421,475</u>	<u>\$ -</u>
LIABILITIES				
Overdraft	\$ 47,905	\$ 316,958	\$ 364,863	\$ -
Accounts and other payables	940,438	355,776	1,296,214	8,337
Retainage payable	19,808	88,511	108,319	-
Unearned revenue	316,365	-	316,365	-
Long-term liabilities -				
Portion due or payable within one year:				
Bonded debt	2,046,600	370,000	2,416,600	-
Accrued compensated absences	51,087	15,151	66,238	-
Portion due or payable after one year:				
Bonded debt	23,842,477	6,970,036	30,812,513	-
Accrued compensated absences	459,780	136,358	596,138	-
OPEB obligation	4,452,527	-	4,452,527	-
Total liabilities	<u>\$ 32,176,987</u>	<u>\$ 8,252,790</u>	<u>\$ 40,429,777</u>	<u>\$ 8,337</u>
NET POSITION				
Invested in capital assets, net of related debt	\$ 18,781,178	\$ 40,314,456	\$ 59,095,634	\$ 1,677
Restricted for -				
Capital projects	4,831,756	-	4,831,756	-
Debt service	835,137	185,145	1,020,282	-
Other	6,028,298	-	6,028,298	-
Unrestricted	<u>(2,236,752)</u>	<u>253,343</u>	<u>(1,983,409)</u>	<u>271,100</u>
Total net position	<u>\$ 28,239,617</u>	<u>\$ 40,752,944</u>	<u>\$ 68,992,561</u>	<u>\$ 272,777</u>

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF ACTIVITIES  
For the Year Ended October 31, 2014

		Program	
Function/Program	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities -			
General government	\$ 2,068,179	\$ 21,336	\$ 79,178
Public safety	11,285,762	242,563	450,864
Public works	6,523,209	39,271	24,461
Culture and recreation	1,219,545	192,454	1,000
Urban redevelopment and housing	1,185,966	-	1,148,785
Unallocated depreciation	2,150,158	-	-
Interest on long-term debt	1,066,471	-	-
Total governmental activities	\$ 25,499,290	\$ 495,624	\$ 1,704,288
Business-type activities -			
Wastewater	5,933,652	5,431,832	2,589
Total primary government	\$ 31,432,942	\$ 5,927,456	\$ 1,706,877
Component units:			
City Court	\$ 579,924	\$ 379,979	\$ -
City Marshal	130,519	44,890	-
Iberia Home Mortgage Authority	13	-	-
Total component units	\$ 710,456	\$ 424,869	\$ -

General revenues:

Taxes -

Property

Sales and use

Franchise fees

Occupational

Investment income

Miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning, as restated

Net position, ending

See Notes to Basic Financial Statements.

Revenues	Net (Expense) Revenue and Change in Net Position			
Capital	Primary Government			Component
Grants and	Governmental	Business-Type		Units
Contributions	Activities	Activities	Total	
\$ -	\$ (1,967,665)	\$ -	\$ (1,967,665)	\$ -
-	(10,592,335)	-	(10,592,335)	-
1,142,655	(5,316,822)	-	(5,316,822)	-
217,898	(808,193)	-	(808,193)	-
-	(37,181)	-	(37,181)	-
-	(2,150,158)	-	(2,150,158)	-
-	(1,066,471)	-	(1,066,471)	-
\$ 1,360,553	\$ (21,938,825)	\$ -	\$ (21,938,825)	\$ -
940,573	-	441,342	441,342	-
\$ 2,301,126	\$ (21,938,825)	\$ 441,342	\$ (21,497,483)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (199,945)
-	-	-	-	(85,629)
-	-	-	-	(13)
\$ -	\$ -	\$ -	\$ -	\$ (285,587)
	\$ 4,371,790	\$ -	\$ 4,371,790	\$ -
	14,981,067	-	14,981,067	-
	1,840,316	-	1,840,316	-
	1,566,996	-	1,566,996	-
	142,104	42,363	184,467	287
	602,086	39,711	641,797	264,566
	194	28,342	28,536	-
	(19,880)	19,880	-	-
	\$ 23,484,673	\$ 130,296	\$ 23,614,969	\$ 264,853
	\$ 1,545,848	\$ 571,638	\$ 2,117,486	\$ (20,734)
	26,693,769	40,181,306	66,875,075	293,511
	\$ 28,239,617	\$ 40,752,944	\$ 68,992,561	\$ 272,777

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
October 31, 2014

ASSETS	General	Sales Tax
Cash	\$ 5,817,083	\$ 1,374
Accounts receivable	297,907	-
Assessments receivable	-	-
Due from other governmental agencies	173,634	788,666
Due from other funds	-	-
Other assets	260	-
Real estate held for resale	61,343	-
	<u>\$ 6,350,227</u>	<u>\$ 790,040</u>
Total assets		
	<u>\$ 6,350,227</u>	<u>\$ 790,040</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Overdraft	\$ -	\$ -
Accounts and other payables	222,837	-
Due to other funds	-	-
Unearned revenue	16,565	-
	<u>\$ 239,402</u>	<u>\$ -</u>
Total liabilities		
	<u>\$ 239,402</u>	<u>\$ -</u>
Fund balances:		
Restricted for -		
Firemen salary and benefit increases	\$ 3,667,369	\$ -
Use in accordance with tax ordinances	-	790,040
Construction of capital assets	-	-
Purpose of grantors, trustees and donors	-	-
Debt service	-	-
Drainage	-	-
Assigned to -		
Disaster relief	-	-
Unassigned	2,443,456	-
	<u>\$ 6,110,825</u>	<u>\$ 790,040</u>
Total fund balances		
	<u>\$ 6,110,825</u>	<u>\$ 790,040</u>
Total liabilities and fund balances		
	<u>\$ 6,350,227</u>	<u>\$ 790,040</u>

See Notes to Basic Financial Statements.

Garbage	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 8,771,113	\$ 14,589,570
-	4,823	302,730
-	199,800	199,800
315,466	74,561	1,352,327
-	11,113	11,113
-	-	260
-	-	61,343
<u>\$ 315,466</u>	<u>\$ 9,061,410</u>	<u>\$ 16,517,143</u>

\$ 29,065	\$ 18,840	\$ 47,905
193,812	207,388	624,037
-	11,113	11,113
-	299,800	316,365
<u>\$ 222,877</u>	<u>\$ 537,141</u>	<u>\$ 999,420</u>

\$ -	\$ -	\$ 3,667,369
92,589	162,338	1,044,967
-	3,747,639	3,747,639
-	112,239	112,239
-	1,157,409	1,157,409
-	3,061,458	3,061,458
-	283,186	283,186
-	-	2,443,456
<u>\$ 92,589</u>	<u>\$ 8,524,269</u>	<u>\$ 15,517,723</u>
<u>\$ 315,466</u>	<u>\$ 9,061,410</u>	<u>\$ 16,517,143</u>

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
October 31, 2014

Total fund balances - governmental funds	\$ 15,517,723
--	---------------

Total net position reported for governmental activities  
in the statement of net position is different because:

Because some revenues are not considered measurable  
at year-end, they are not considered "available"  
revenues in the governmental funds.

Sales taxes	1,203,723
-------------	-----------

Deferred loss on bond refunding	366,407
---------------------------------	---------

Capital assets used in governmental activities  
are not financial resources and therefore are not  
reported in the funds.

Capital assets, net	42,326,507
---------------------	------------

Long-term liabilities are not due and payable in  
the current period and are therefore not reported  
in the governmental funds.

Accrued interest payable	\$ (322,272)	
Bonds and certificates payable, net	(25,889,077)	
Accrued compensated absences payable	(510,867)	
Other post employment benefits payable	<u>(4,452,527)</u>	<u>(31,174,743)</u>

Net position of governmental activities	<u>\$ 28,239,617</u>
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See Notes to Basic Financial Statements.

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CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended October 31, 2014

	<u>General</u>	<u>Sales Tax</u>
Revenues:		
Taxes -		
Ad valorem	\$ 1,144,003	\$ -
Sales and use	1,868,899	9,344,494
Franchise	1,840,316	-
Licenses	1,566,996	-
Permits	240,808	-
Intergovernmental -		
Federal	250,238	-
State	452,188	-
Local	45,514	-
Charges for services	44,377	-
Fines and forfeitures	4,145	-
Investment income	16,153	2,731
Miscellaneous	4,907	-
	<u>\$ 7,478,544</u>	<u>\$ 9,347,225</u>
Total revenues		
Expenditures:		
Current -		
General government	\$ 2,034,485	\$ 85,729
Public safety	11,052,905	-
Public works	-	-
Culture and recreation	19,324	-
Urban redevelopment and housing	-	-
Debt service -		
Principal	-	-
Interest	-	-
Capital outlay	294,296	-
	<u>\$ 13,401,010</u>	<u>\$ 85,729</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures	<u>\$ (5,922,466)</u>	<u>\$ 9,261,496</u>
Other financing sources (uses):		
Transfers from other funds	\$ 8,695,099	\$ -
Transfers to other funds	(2,314,374)	(9,493,422)
Proceeds from sale of assets	-	-
	<u>\$ 6,380,725</u>	<u>\$ (9,493,422)</u>
Total other financing sources (uses)		
Net change in fund balances	\$ 458,259	\$ (231,926)
Fund balances, beginning	5,652,566	1,021,966
Fund balances, ending	<u>\$ 6,110,825</u>	<u>\$ 790,040</u>

See Notes to Basic Financial Statements.

Garbage	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,227,787	\$ 4,371,790
3,737,798	-	14,951,191
-	-	1,840,316
-	-	1,566,996
-	-	240,808
-	1,586,185	1,836,423
-	64,824	517,012
-	1,097,842	1,143,356
-	173,944	218,321
-	-	4,145
1,071	24,494	44,449
276,000	88,365	369,272
<u>\$ 4,014,869</u>	<u>\$ 6,263,441</u>	<u>\$ 27,104,079</u>
\$ 34,292	\$ 12,754	\$ 2,167,260
-	-	11,052,905
3,893,701	2,326,956	6,220,657
-	1,044,193	1,063,517
-	1,182,924	1,182,924
-	1,991,600	1,991,600
-	1,013,586	1,013,586
-	1,390,537	1,684,833
<u>\$ 3,927,993</u>	<u>\$ 8,962,550</u>	<u>\$ 26,377,282</u>
<u>\$ 86,876</u>	<u>\$ (2,699,109)</u>	<u>\$ 726,797</u>
\$ -	\$ 4,136,038	\$ 12,831,137
-	(1,043,221)	(12,851,017)
-	194	194
<u>\$ -</u>	<u>\$ 3,093,011</u>	<u>\$ (19,686)</u>
\$ 86,876	\$ 393,902	\$ 707,111
5,713	8,130,367	14,810,612
<u>\$ 92,589</u>	<u>\$ 8,524,269</u>	<u>\$ 15,517,723</u>

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES

For the Year Ended October 31, 2014

Net change in fund balances - total governmental funds	\$	707,111
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The change in net position reported for governmental activities in the statement of activities is different because:

Because some revenues are not considered measurable at year-end, they are not considered "available" revenues in the governmental funds.

Sales taxes		34,468
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 1,450,793	
Depreciation	<u>(2,901,498)</u>	(1,450,705)

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond premium amortized	\$ 97,655	
Loss on refunding amortized	<u>(68,610)</u>	29,045

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Decrease in accrued interest payable	\$ 15,725	
Increase in compensated absences payable	(7,339)	
Decrease in OPEB obligation	<u>225,943</u>	234,329

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Principal payments		<u>1,991,600</u>
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Change in net position of governmental activities	\$	<u>1,545,848</u>
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See Notes to Basic Financial Statements.

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CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
October 31, 2014

ASSETS	Sewerage Fund
Current assets:	
Cash	\$ 293,192
Accounts receivable	378,260
Due from other governmental agencies	<u>315,452</u>
Total current assets	<u>\$ 986,904</u>
Restricted assets:	
Restricted cash	<u>\$ 309,270</u>
Capital assets:	
Land	\$ 1,437,788
Buildings and improvements, net	352,249
Equipment, net	928,072
Sewer plant, net	42,551,082
Construction in process	<u>2,385,301</u>
Total capital assets	<u>\$ 47,654,492</u>
Total assets	<u>\$ 48,950,666</u>
DEFERRED OUTFLOWS	
Deferred loss on refunding	<u>\$ 55,068</u>

LIABILITIES	Sewerage Fund
Current liabilities (payable from current assets):	
Overdraft	\$ 316,958
Accounts and other payables	231,651
Retainage payable	88,511
Accrued compensated absences	15,151
Total	<u>\$ 652,271</u>
Current liabilities (payable from restricted assets):	
Accrued liabilities	\$ 124,125
Bonds payable	370,000
Total	<u>\$ 494,125</u>
Total current liabilities	<u>\$ 1,146,396</u>
Noncurrent liabilities:	
Accrued compensated absences	\$ 136,358
Bonds payable	6,970,036
Total noncurrent liabilities	<u>\$ 7,106,394</u>
Total liabilities	<u>\$ 8,252,790</u>
NET POSITION	
Invested in capital assets, net of related debt	\$ 40,314,456
Restricted for debt service	185,145
Unrestricted	253,343
Total net position	<u>\$ 40,752,944</u>

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
For the Year Ended October 31, 2014

	Sewerage Fund
Operating revenues:	
Charges for services -	
Customers	\$ 4,583,476
Parish Government under cooperative agreement	<u>848,356</u>
Total operating revenues	<u>\$ 5,431,832</u>
Operating expenses:	
Cost of services rendered	\$ 3,179,411
Depreciation	<u>2,487,430</u>
Total operating expenses	<u>\$ 5,666,841</u>
Operating loss	<u>\$ (235,009)</u>
Nonoperating revenues (expenses):	
Grant revenues	\$ 543,562
Investment income	42,363
Interest expense	(266,811)
Other, net	<u>68,053</u>
Total nonoperating revenues (expenses), net	<u>\$ 387,167</u>
Income before contributions and transfers	\$ 152,158
Capital contributions	399,600
Transfers in	<u>19,880</u>
Change in net position	\$ 571,638
Net position, beginning, as restated	<u>40,181,306</u>
Net position, ending	<u><u>\$ 40,752,944</u></u>
See Notes to Basic Financial Statements.	

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CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
For the Year Ended October 31, 2014

	Sewerage Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 4,529,107
Receipts under cooperative agreement	790,345
Payments to suppliers for goods and services	(1,672,348)
Payments to employees and for employee related costs	<u>(1,539,634)</u>
Net cash provided by operating activities	<u>\$ 2,107,470</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Decrease in overdraft	\$ (1,177,338)
Transfers in	<u>19,880</u>
Net cash used in noncapital financing activities	<u>\$ (1,157,458)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and construction of capital assets	\$ (2,044,722)
Bond proceeds received	1,228,867
Principal paid on bonds	(384,000)
Interest paid on bonds	(264,494)
Grant revenues	474,286
Other, net	<u>37,076</u>
Net cash used in capital financing activities	<u>\$ (952,987)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>\$ 902</u>
Net decrease in cash	\$ (2,073)
Balance, beginning of the year	<u>604,535</u>
Balance, end of the year	<u><u>\$ 602,462</u></u>

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUND  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
For the Year Ended October 31, 2014

	Sewerage Fund
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (235,009)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	2,487,430
Change in assets and liabilities -	
Accounts receivable	(57,335)
Due from other governmental agencies	(58,011)
Accounts payable and accrued liabilities	(29,605)
	<u>2,342,489</u>
Net cash provided by operating activities	<u>\$ 2,107,470</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:	
Contribution of captial assets acquired with CDBG funding	<u>\$ 399,600</u>
Cash shown on statement of net position as:	
Current assets	\$ 293,192
Restricted assets	<u>309,270</u>
	<u>\$ 602,462</u>

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
October 31, 2014

ASSETS	Pension Trust Funds	Agency Funds
Cash	\$ 7,423	\$ 181,619
Total assets	\$ 7,423	\$ 181,619
LIABILITIES		
Accounts payable	\$ -	\$ 20,584
Due to other funds	-	39,783
Held for others pending court action	-	121,252
Total liabilities	\$ -	\$ 181,619
NET POSITION		
Held in trust for pension benefits	\$ 7,423	\$ -
Total net position	\$ 7,423	\$ 181,619

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended October 31, 2014

	Pension Trust Funds
Additions:	
Investment income	\$ 3
Total additions	\$ 3
Deductions:	
Benefit payments	\$ 15,387
Total deductions	\$ 15,387
Change in net position	\$ (15,384)
Net position, beginning	22,807
Net position, ending	\$ 7,423

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF NET POSITION  
ALL DISCRETELY PRESENTED COMPONENT UNITS  
October 31, 2014

ASSETS	City Court of New Iberia	New Iberia City Marshal	Iberia Home Mortgage Authority	Total
Cash	\$ 95,363	\$ 44,733	\$ 96,169	\$ 236,265
Accounts receivable	-	4,375	-	4,375
Due from external parties	38,797	-	-	38,797
Capital assets, net	<u>1,677</u>	<u>-</u>	<u>-</u>	<u>1,677</u>
Total assets	<u>\$ 135,837</u>	<u>\$ 49,108</u>	<u>\$ 96,169</u>	<u>\$ 281,114</u>
LIABILITIES				
Accounts and other payables	<u>\$ 8,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,337</u>
NET POSITION				
Invested in capital assets, net of related debt	\$ 1,677	\$ -	\$ -	\$ 1,677
Unrestricted	<u>125,823</u>	<u>49,108</u>	<u>96,169</u>	<u>271,100</u>
Total net position	<u>\$ 127,500</u>	<u>\$ 49,108</u>	<u>\$ 96,169</u>	<u>\$ 272,777</u>

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF ACTIVITIES  
ALL DISCRETELY PRESENTED COMPONENT UNITS  
For the Year Ended October 31, 2014

	City Court of New Iberia	New Iberia City Marshal	Iberia Home Mortgage Authority	Total
Expenses	\$ 579,924	\$ 130,519	\$ 13	\$ 710,456
Program revenues:				
Fees and fines	372,146	44,890	-	417,036
Bonds forfeited	<u>7,833</u>	<u>-</u>	<u>-</u>	<u>7,833</u>
Net (expense) revenue	<u>\$ (199,945)</u>	<u>\$ (85,629)</u>	<u>\$ (13)</u>	<u>\$ (285,587)</u>
General revenues:				
Intergovernmental	\$ 152,453	\$ 65,007	\$ -	\$ 217,460
Investment income	-	-	287	287
Miscellaneous	<u>47,106</u>	<u>-</u>	<u>-</u>	<u>47,106</u>
Total general revenues	<u>\$ 199,559</u>	<u>\$ 65,007</u>	<u>\$ 287</u>	<u>\$ 264,853</u>
Change in net position	\$ (386)	\$ (20,622)	\$ 274	\$ (20,734)
Net position, beginning	<u>127,886</u>	<u>69,730</u>	<u>95,895</u>	<u>293,511</u>
Net position, ending	<u>\$ 127,500</u>	<u>\$ 49,108</u>	<u>\$ 96,169</u>	<u>\$ 272,777</u>

See Notes to Basic Financial Statements.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the City of New Iberia (the "City") are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

Reporting entity:

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

The City operates under a home rule charter. The charter provides for the Mayor-City Council form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, certain social services (including urban redevelopment and housing) and general administration services. The City owns and operates one enterprise activity, a sewerage fund which provides sewerage services.

Component units -

Professional standards establish criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes.

Based on the criteria, the following are component units of the City.

City Court of New Iberia - The day-to-day operations of the City Court are funded through the City of New Iberia. In addition, the activities of the Court are primarily for City residents. The City has responsibility for funding any deficits of the Court. The City Court's fiscal year end is June 30.

New Iberia City Marshal - The day-to-day operations of the City Marshal are funded through the City of New Iberia. In addition, the activities of the Marshal are primarily for City residents. The City has responsibility for funding any deficits of the City Marshal. The City Marshal's fiscal year end is June 30.

## NOTES TO BASIC FINANCIAL STATEMENTS

Iberia Home Mortgage Authority - The Authority was formed as a public trust on January 16, 1979 pursuant to Chapter 2-A of Title 9 of the Louisiana revised statutes. The beneficiary of the trust is the City of New Iberia. The Authority was created to provide financing to low and moderate income families within the Parish of Iberia. The governing body is comprised of a ten member Board of Trustees consisting of the Mayor of City of New Iberia. The City has responsibility for funding any deficits of the Authority and approves its operating budget. The Authority's fiscal year end is March 31.

Complete financial statements of the above component units can be obtained at the office of the Legislative Auditor of the State of Louisiana, 1600 North 3rd, Baton Rouge, Louisiana 70802.

### Basis of presentation:

The City's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and its component units and the fund financial statements (individual major fund and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

### Government-wide financial statements -

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the primary government and the total for its component units. As a general rule, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The primary government is reported separately from the legally separate component units as detailed in the previous section.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating and capital

## NOTES TO BASIC FINANCIAL STATEMENTS

grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, investment income, etc.).

The City does not allocate indirect costs.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

### Fund financial statements -

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.

Sales Tax Fund - This fund accounts for the receipts and disbursements of proceeds from the City's 1.25% sales and use tax levies. These taxes are dedicated as described in Note 7.

Garbage Fund - This fund accounts for the receipt and use of proceeds of two of the City's 0.25% sales and use tax levies. These taxes are dedicated as described in Note 7.

The City reports the following major enterprise fund:

Sewerage Fund - This fund is used to account for the monies collected from sewer user fees and the operations of the sewer plants.

In addition, the City reports the following:

Pension Trust Funds - These funds account for the accumulation of resources to be used for police retirement annuity payments at

## NOTES TO BASIC FINANCIAL STATEMENTS

appropriate amounts and times in the future. The funds do not account for the administrative costs of the systems, which are borne by the General Fund.

Agency Funds - These funds account for assets held by the City to cover estimated court costs in connection with criminal and civil suits.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

### Basis of accounting:

#### Government-wide, proprietary and fiduciary fund financial statements -

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

#### Governmental fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for

## NOTES TO BASIC FINANCIAL STATEMENTS

principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

### Cash and cash equivalents:

Cash includes amounts in interest-bearing demand, savings and money market deposits, as well as cash on hand. The cash balances of the majority of the City's funds are pooled by the City. For purposes of the statement of cash flows, highly liquid investments (including restricted assets) with an original maturity of three months or less are considered to be cash equivalents. The City has no cash equivalents at October 31, 2014.

### Investments:

State statutes authorize the City to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

In accordance with GASB Statement No. 31, investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost.

### Custodial credit risk:

#### Deposits -

The City is exposed to custodial credit risk as it relates to their deposits with financial institutions. The City's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the City's name. Accordingly, the City had no custodial credit risk related to its deposits at October 31, 2014.

#### Investments -

The City's policy is to require investments, if any, to be held in the City's name. At October 31, 2014, the City did not have any investments.

### Receivables:

All trade receivables are considered collectible and accordingly there is no allowance for doubtful accounts at October 31, 2014.

### Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in

## NOTES TO BASIC FINANCIAL STATEMENTS

nature. These are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Prepaid items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

### Restricted assets:

Certain resources of the City are classified as restricted assets on the balance sheet because their use is limited by debt restrictions.

### Fixed assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### Government-wide statements -

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Prior to November 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost and have been included in the accompanying financial statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Land improvements	20 - 30
Buildings and improvements	10 - 40
Equipment	5 - 15
Infrastructure	20 - 50
Sewer plant	5 - 35

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

### Fund financial statements -

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of

## NOTES TO BASIC FINANCIAL STATEMENTS

the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Interest on debt issued to finance construction of the wastewater treatment plant has been capitalized as a part of the cost of such projects. Fixed assets of the Sewerage Fund include capitalized interest totaling \$3,379,805.

### Deferred outflows of resources and deferred inflows of resources:

In some instances, GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from delay recognition of expenditures or revenues, respectively. Deferred loss on refunding is reported in the government-wide financial statements as a deferred outflow. This deferral results from the difference in the carrying value of refunded debt and its acquisition price. It is amortized over the life of the refunded debt. There are no deferred inflows at October 31, 2014.

### Compensated absences:

Employees of the City earn annual leave in amounts ranging from eight hours per month to 16 hours per month, depending upon length of service. At the end of each year, employees may carry forward annual leave earned but not taken with the maximum allowable carryover of unused annual leave being equal to ten days. Unused annual leave in excess of what can be carried forward is credited to the employee's sick leave balance. Unused annual leave is paid to an employee upon retirement or resignation at hourly rates being earned by that employee upon separation.

Effective April 1, 1997, sick leave is credited to all classified employees at the rate of 12 hours per month. All unused sick leave is carried forward from year to year. Employees separated due to retirement or death are paid for all accumulated sick leave earned between January 1, 1991 and December 31, 1994 at the hourly rates being earned by the employee at that time.

Compensatory leave is earned at a rate of one and one-half hours for each hour of overtime worked. The maximum accumulation of compensatory leave is 120 hours. It may be carried forward from year to year. Upon termination, unused compensatory leave is paid up to 120 hours.

Firemen earn vacation and sick leave in accordance with state law. Firemen are paid for any overtime hours worked.

In the government-wide and proprietary fund statements, the City accrues accumulated unpaid annual, sick, and compensatory leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance

## NOTES TO BASIC FINANCIAL STATEMENTS

with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

### Long-term debt:

The accounting treatment of long-term debt depends on whether the debt relates to governmental or proprietary fund obligations and whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, certificates of indebtedness, loans payable, claims payable, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Long-term debt in proprietary fund operations is accounted for the same in the fund financial statements as it is in the government-wide statements.

### Equity classifications:

#### Government-wide statements -

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The government-wide statement of net position reports \$6,028,298 of other restricted net position of which \$5,916,059 is restricted by enabling legislation.

#### Fund financial statements -

Beginning with fiscal year 2011, the City implemented GASB Statement

## NOTES TO BASIC FINANCIAL STATEMENTS

54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

### Interfund transfers:

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and individual proprietary funds have been eliminated.

## NOTES TO BASIC FINANCIAL STATEMENTS

### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The City is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The City recorded no impairment losses during the year ended October 31, 2014.

### Note 2. Interfund Transfers

Interfund transfers for the year ended October 31, 2014 consist of the following:

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund	\$ 8,695,099	\$ 2,314,374
Sales Tax Fund	-	9,493,422
Other Governmental Funds	4,136,038	1,043,221
Sewerage Fund	<u>19,880</u>	<u>-</u>
Totals	<u>\$12,851,017</u>	<u>\$12,851,017</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund required, and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# NOTES TO BASIC FINANCIAL STATEMENTS

## Note 3. Due From Other Governmental Agencies

Amounts due from other governmental agencies consist of the following at October 31, 2014:

### Fund financial statements:

#### Governmental Funds -

##### Iberia Parish School Board:

Sales and use taxes collected but not remitted	\$1,261,865
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##### State of Louisiana:

Federal pass-through grant funds	87,736
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Local	<u>2,726</u>
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	<u>\$1,352,327</u>
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#### Proprietary Funds -

##### Iberia Parish Government:

Reimbursement for joint operations	\$ 177,655
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##### State of Louisiana:

Federal pass-through grant funds	<u>137,797</u>
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	<u>\$ 315,452</u>
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### Government-wide financial statements:

#### Total amount reported in -

Governmental Funds, from above	\$1,352,327
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Proprietary Funds, from above	315,452
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Additional sales and use taxes due from Iberia Parish School Board	<u>1,217,660</u>
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	<u>\$2,885,439</u>
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NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Capital Assets and Depreciation

Capital asset activity for the year ended October 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 3,274,295	\$ 186,060	\$ -	\$ 3,460,355
Construction in process	<u>555,428</u>	<u>1,251,304</u>	<u>(1,128,401)</u>	<u>678,331</u>
Total capital assets not being depreciated	<u>\$ 3,829,723</u>	<u>\$ 1,437,364</u>	<u>\$ (1,128,401)</u>	<u>\$ 4,138,686</u>
Capital assets being depreciated -				
Land improvements	\$ 1,582,204	\$ 323,887	\$ -	\$ 1,906,091
Buildings and improvements	8,578,213	-	-	8,578,213
Equipment	8,375,097	236,423	-	8,611,520
Infrastructure	<u>81,924,450</u>	<u>581,520</u>	<u>-</u>	<u>82,505,970</u>
Total capital assets being depreciated	<u>\$100,459,964</u>	<u>\$ 1,141,830</u>	<u>\$ -</u>	<u>\$101,601,794</u>
Less accumulated depreciation for:				
Land improvements	\$ (757,715)	\$ (64,304)	\$ -	\$ (822,019)
Buildings and improvements	(3,859,687)	(248,285)	-	(4,107,972)
Equipment	(6,290,343)	(438,751)	-	(6,729,094)
Infrastructure	<u>(49,604,730)</u>	<u>(2,150,158)</u>	<u>-</u>	<u>(51,754,888)</u>
Total accumulated depreciation	<u>\$ (60,512,475)</u>	<u>\$ (2,901,498)</u>	<u>\$ -</u>	<u>\$ (63,413,973)</u>
Total capital assets being depreciated, net	<u>\$ 39,947,489</u>	<u>\$ (1,759,668)</u>	<u>\$ -</u>	<u>\$ 38,187,821</u>
Governmental activities capital assets, net	<u>\$ 43,777,212</u>	<u>\$ (322,304)</u>	<u>\$ (1,128,401)</u>	<u>\$ 42,326,507</u>

NOTES TO BASIC FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated -				
Land	\$ 1,437,788	\$ -	\$ -	\$ 1,437,788
Construction in process	<u>1,547,579</u>	<u>1,238,879</u>	<u>(401,157)</u>	<u>2,385,301</u>
Total capital assets not being depreciated	<u>\$ 2,985,367</u>	<u>\$ 1,238,879</u>	<u>\$ (401,157)</u>	<u>\$ 3,823,089</u>
Capital assets being depreciated -				
Buildings and improvements	\$ 390,598	\$ -	\$ -	\$ 390,598
Equipment	1,638,187	676,413	-	2,314,600
Sewer plant	<u>63,289,890</u>	<u>930,187</u>	<u>-</u>	<u>64,220,077</u>
Total capital assets being depreciated	<u>\$ 65,318,675</u>	<u>\$ 1,606,600</u>	<u>\$ -</u>	<u>\$ 66,925,275</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (27,189)	\$ (11,160)	\$ -	\$ (38,349)
Equipment	(1,319,812)	(66,716)	-	(1,386,528)
Sewer plant	<u>(19,259,441)</u>	<u>(2,409,554)</u>	<u>-</u>	<u>(21,668,995)</u>
Total accumulated depreciation	<u>\$ (20,606,442)</u>	<u>\$ (2,487,430)</u>	<u>\$ -</u>	<u>\$ (23,093,872)</u>
Total capital assets being depreciated, net	<u>\$ 44,712,233</u>	<u>\$ (880,830)</u>	<u>\$ -</u>	<u>\$ 43,831,403</u>
Business-type capital assets, net	<u>\$ 47,697,600</u>	<u>\$ 358,049</u>	<u>\$ (401,157)</u>	<u>\$ 47,654,492</u>

## NOTES TO BASIC FINANCIAL STATEMENTS

Depreciation was charged to activities as follows:

Governmental activities:

General government	\$ 129,592
Public safety	211,118
Public works	247,779
Culture and recreation	161,600
Urban redevelopment and housing	1,251
Infrastructure depreciation is unallocated	<u>2,150,158</u>
Total governmental activities depreciation expense	<u>\$ 2,901,498</u>

Business-type activities:

Wastewater	<u>\$ 2,487,430</u>
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### Note 5. Long-Term Debt

#### Governmental Activities

The City issues general obligation bonds and certificates of indebtedness to provide funds for the acquisition, construction or improvement of major capital facilities. General obligation bonds have also been issued to refund other general obligation bonds. These bonds are direct obligations and pledge the full faith and credit of the City.

In addition, the City has borrowed proceeds from revenue bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority to finance the costs of the acquisition, rehabilitation, improvement and expansion of roads within the limits of the City, and to refund public improvement bonds. These bonds are to be repaid from lawfully available funds.

#### Business-Type Activities

The City has borrowed proceeds from revenue bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority to refund revenue bonds. Additionally, the City has borrowed proceeds from revenue bonds issued by the Louisiana Department of Environmental Quality to finance the costs of constructing and acquiring improvements and replacements to the sewer system of the City.

NOTES TO BASIC FINANCIAL STATEMENTS

Long-term debt outstanding at October 31, 2014 is as follows:

	<u>Issue</u>	<u>Final</u>	<u>Interest</u>	<u>Balance</u>	<u>Due Within</u>
	<u>Date</u>	<u>Maturity</u>	<u>Rates</u>	<u>Outstanding</u>	<u>One Year</u>
Governmental activities:					
General obligation refunding bonds -					
Series 2010	2010	2026	2.00% - 4.50%	\$ 8,215,000	\$ 650,000
Series 2013	2013	2025	2.06%	3,275,000	245,000
				<u>\$11,490,000</u>	<u>\$ 895,000</u>
Certificates of indebtedness -					
Street					
certificates	2005	2020	4.10%	\$ 1,485,000	\$ 220,000
Paving					
certificates	2007	2017	4.375%	175,500	58,500
Sewerage					
certificates	2007	2017	4.40%	24,300	8,100
				<u>\$ 1,684,800</u>	<u>\$ 286,600</u>
Loan payable -					
LLGEFCDA Revenue					
Bonds, Series					
2009	2009	2035	2.00% - 4.50%	\$ 7,155,000	\$ 230,000
LLGEFCDA Revenue					
Refunding Bonds,					
Series 2010A	2010	2020	2.00% - 4.00%	1,345,000	520,000
LLGEFCDA Revenue					
Bonds, Series					
2010C	2010	2036	2.00% - 5.00%	3,665,000	115,000
				<u>\$12,165,000</u>	<u>\$ 865,000</u>
Add unamortized issue premium				\$ 549,277	\$ -
Total bond indebtedness				<u>\$25,889,077</u>	<u>\$2,046,600</u>
Other liabilities -					
Accrued compensated absences				\$ 510,867	\$ 51,087
Other post-employment benefits				4,452,527	-
				<u>\$ 4,963,394</u>	<u>\$ 51,087</u>
Total governmental activity debt				<u>\$30,852,471</u>	<u>\$2,097,687</u>

NOTES TO BASIC FINANCIAL STATEMENTS

	Issue Date	Final Maturity Date	Interest Rates	Balance Outstanding	Due Within One Year
Business-type activities:					
LLGEFCDA Revenue					
Refunding Bonds,					
Series 2010B	2010	2026	2.00% - 5.00%	\$ 5,660,000	\$ 370,000
Revenue Bonds,					
Series 2013	2013	2033	0.95%	1,380,765	-
Add unamortized issue premium				299,271	-
Total bond indebtedness				<u>\$ 7,340,036</u>	<u>\$ 370,000</u>
Other liabilities -					
Accrued compensated absences				<u>\$ 151,509</u>	<u>\$ 15,151</u>
Total business-type activity debt				<u>\$ 7,491,545</u>	<u>\$ 385,151</u>

The annual debt service requirements to maturity of all bonds and certificates outstanding at October 31, 2014 except Revenue Bonds, Series 2013 follows:

	General Obligation Refunding Bonds			Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 895,000	\$ 404,592	\$ 1,299,592	\$ 1,235,000	\$ 729,760	\$ 1,964,760
2016	930,000	376,191	1,306,191	1,270,000	689,810	1,959,810
2017	965,000	343,336	1,308,336	850,000	652,085	1,502,085
2018	1,005,000	309,173	1,314,173	860,000	622,510	1,482,510
2019	1,050,000	271,654	1,321,654	895,000	587,910	1,482,910
2020 - 2024	5,920,000	707,640	6,627,640	4,695,000	2,385,850	7,080,850
2025 - 2029	725,000	17,157	742,157	3,805,000	1,357,650	5,162,650
2030 - 2034	-	-	-	3,225,000	671,350	3,896,350
2035 - 2037	-	-	-	990,000	47,250	1,037,250
	<u>\$11,490,000</u>	<u>\$ 2,429,743</u>	<u>\$13,919,743</u>	<u>\$17,825,000</u>	<u>\$ 7,744,175</u>	<u>\$25,569,175</u>
	Certificates of Indebtedness			Total		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 286,600	\$ 69,632	\$ 356,232	\$ 2,416,600	\$ 1,203,984	\$ 3,620,584
2016	296,600	57,697	354,297	2,496,600	1,123,698	3,620,298
2017	306,600	45,350	351,950	2,121,600	1,040,771	3,162,371
2018	250,000	32,595	282,595	2,115,000	964,278	3,079,278
2019	265,000	22,345	287,345	2,210,000	881,909	3,091,909
2020 - 2024	280,000	11,480	291,480	10,895,000	3,104,970	13,999,970
2025 - 2029	-	-	-	4,530,000	1,374,807	5,904,807
2030 - 2034	-	-	-	3,225,000	671,350	3,896,350
2035 - 2037	-	-	-	990,000	47,250	1,037,250
	<u>\$ 1,684,800</u>	<u>\$ 239,099</u>	<u>\$ 1,923,899</u>	<u>\$30,999,800</u>	<u>\$10,413,017</u>	<u>\$41,412,817</u>

# NOTES TO BASIC FINANCIAL STATEMENTS

## Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended October 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
General obligation refunding bonds	\$12,375,000	\$ -	\$ 885,000	\$11,490,000
Certificates of indebtedness	1,961,400	-	276,600	1,684,800
Loans payable	12,995,000	-	830,000	12,165,000
Accrued compensated absences	503,528	7,339	-	510,867
Other post-employment benefits	4,678,470	-	225,943	4,452,527
	<u>\$32,513,398</u>	<u>\$ 7,339</u>	<u>\$ 2,217,543</u>	<u>\$30,303,194</u>
Business-type activities:				
Loans payable	\$ 6,025,000	\$ -	\$ 365,000	\$ 5,660,000
Revenue bonds payable	135,457	1,264,308	19,000	1,380,765
Accrued compensated absences	154,514	-	3,005	151,509
	<u>\$ 6,314,971</u>	<u>\$ 1,264,308</u>	<u>\$ 387,005</u>	<u>\$ 7,192,274</u>

Total interest costs incurred and charged to expenditures/expense during the year ended October 31, 2014 was \$1,280,397. Of this amount, \$1,013,586 was recognized in the governmental fund financial statements while \$266,811 was recognized in the proprietary fund financial statements.

Compensated absences and other post-employment benefits typically have been liquidated by the General Fund and a few other governmental funds.

## Note 6. Ad Valorem Taxes

Government-wide financial statements -

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

Fund financial statements -

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. During the current fiscal year, taxes were levied by the City and were billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

Taxes are budgeted and the revenue recognized in the year billed.

The taxes are based on assessed values determined by the Tax Assessor of

## NOTES TO BASIC FINANCIAL STATEMENTS

Iberia Parish and are collected by the City.

For the year ended October 31, 2014, taxes were levied on property with assessed valuations totaling \$195,927,828 and were dedicated as follows:

<u>Dedication</u>	<u>Expiration Date</u>	<u>Millage</u>
General corporate purposes	Perpetual	5.77 mills
Parks and recreation	2022	2.96 mills
Streets and bridges	2014	2.89 mills
General obligation debt service	2026	6.88 mills
Debt service	2032	3.55 mills

Total ad valorem taxes levied during 2014, exclusive of homestead exemptions, were \$4,371,790. Taxes receivable at October 31, 2014 totaled \$-0-.

### Note 7. Sales and Use Taxes

The City is authorized by voters of the City to levy and collect 2.00% sales and use tax within the City. The City has an intergovernmental agreement with the Iberia Parish School Board for the collection of sales taxes. The sales tax ordinances dedicate the proceeds for the following purposes:

<u>Levy</u>	<u>Rate</u>	<u>Dedication</u>
1960	1.00%	Support and maintenance of the police and fire departments, the construction and improvement of streets, bridges or sewerage and for any work of permanent public improvement, including the cost of construction and improving sewers and sewage disposal works, in the City. This tax is perpetual.
1971	0.25%	Operating, maintaining and improving the City's garbage and waste collection and disposal facilities and purchasing and acquiring the land and equipment necessary in connection with the operation of said facilities. This tax is in lieu of a monthly charge for residential garbage and waste collection and disposal. This tax is perpetual.
1981	0.25%	Supplement the cost of salaries of City employees, including employee benefits. This tax is perpetual.
1993	0.25%	Supplement other sales tax revenues of the City to pay the cost of solid waste collection and disposal, including the cost of the City's recycling program. The remaining proceeds of the tax to be expended for the purpose of paying the cost of the salaries of City employees, including the payment of employee benefits. This tax was renewed in 2003 as a perpetual tax.
2003	0.25%	Supplement the cost of salary and benefit increases for firemen. This tax is perpetual.

### Note 8. Employee Retirement Systems

The City has several pension plans covering substantially all of its employees, as follows:

## NOTES TO BASIC FINANCIAL STATEMENTS

- Municipal Employees' Retirement System of Louisiana
- State of Louisiana - Firefighters' Retirement System
- Louisiana State Employees' Retirement System

Substantially all employees are covered under the Municipal Employees' Retirement System of Louisiana except for firemen which are covered under the Firefighters' Retirement System. Pertinent information relative to each plan follows:

### Municipal Employees' Retirement System of Louisiana:

#### Plan description:

The Municipal Employees' Retirement System of Louisiana (the "System") is a cost-sharing multiple-employer public employee retirement system as established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the City are members of Plan A.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least 35 hours per week, not participating in another public funded retirement system and under age 60 at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 60 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

#### Funding policy:

Plan members are required to contribute 9.50% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The employer contribution rate was 18.75% until July 1, 2014, at which time it increased to 19.75%. The contribution requirements of plan members and the City are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ended October 31, 2014, 2013 and 2012 were \$597,947, \$584,241 and \$671,525, respectively, which equal the required contributions for each year.

### State of Louisiana - Firefighters' Retirement System:

## NOTES TO BASIC FINANCIAL STATEMENTS

### Plan description:

The Firefighters' Retirement System (the "System") is a cost-sharing multiple-employer public employee retirement system, as established and provided for by R.S. 11:2251 through 2269 of the Louisiana Revised Statutes.

Membership is mandatory as a condition of employment beginning on date employed if the employee is on a permanent basis as a firefighter, not participating in another public funded retirement system and under age 50 at date of employment. Employees who retire at or after age 50 with at least 20 years of credited service, at or after age 55 with at least 12 years of credited service, or at any age with 25 years of credited service are entitled to a retirement benefit payable monthly for life, equal to 3-1/3 percent of their average final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or joined months that produces the highest average. The System also provides disability and survivor benefits. Benefits are established by state statute.

The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Firefighters' Retirement System, P.O. Box 94095 Capitol Station, Baton Rouge, Louisiana 70804-9095.

### Funding policy:

Plan members are required to contribute 10.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The rate was 28.25% until July 1, 2014 at which time it increased to 29.25%. The contribution requirements of Plan members are established and may be amended by the System's Board of Trustees. The City's contributions to the System for the years ending October 31, 2014, 2013 and 2012 were \$701,125, \$615,004 and \$595,489, respectively, which equal the required contributions for each year.

### Louisiana State Employees' Retirement System (LASERS):

#### Plan description:

For employees of the City Court, the City contributes to the Louisiana State Employees' Retirement System, a multiple-employer, cost-sharing pension plan established by the Louisiana Legislature. Members of the System may retire at age 70 without regard to the number of years of creditable service as a judge, at age 65 with 10 years of creditable service as a judge, at age 55 with 12 years of creditable service as a judge, or at age 50 with 20 years of creditable service (at least 12 years of which were as a judge). In addition, any person who has accumulated a total of 18 years of creditable service as a judge can retire without regard to age. When a member has earned benefits equal to one hundred percent of his average compensation, no further contribution is required by the member. The City, however, must continue to pay to the System the employer's contribution. The System also provides disability and survivor benefits. Benefits are

## NOTES TO BASIC FINANCIAL STATEMENTS

established by State statute.

LASERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804.

### Funding policy:

Plan members are required to contribute 11.50% of their annual covered salary to the plan and the City is required to contribute at an actuarially determined rate. The rate was 36.30% until July 1, 2014 at which time it increased to 41.50%. The contribution requirements of plan members and the City are established by statute. The City's contribution to LASERS for the years ended October 31, 2014, 2013 and 2012 were \$14,341, \$13,793 and \$12,816, respectively, equal to the required contribution each year.

### Note 9. Contingent Liabilities

The City owns and operates treatment works known as the Sucrose Drive Wastewater Treatment Plant located in the City that treats and discharges domestic and commercial sewage from the City and adjacent unincorporated areas and the Tete Bayou Wastewater Treatment Plant that serves citizens of the City and Iberia Parish under NPEDS permits. The United States of America on behalf of the EPA has filed a complaint seeking injunctive relief and civil penalties pursuant to Section 309 of the Clean Water Act, 33 U.S.C. subsection 1319(e), naming as defendant the City of New Iberia pursuant to Section 309(e) of the Clean Water Act, 33 U.S.C. subsection 1319(e). The State of Louisiana on behalf of the LDEQ has joined the complaint against the City for its alleged violations of the Clean Water Act, and the Louisiana Environmental Quality Act, LSA-R.S. 30:2001, et seq. The complaint alleges that the City has violated Section 301 of the Clean Water Act, 33 U.S.C. subsection 1311 and conditions established in its NPEDS permits. The parties to the complaint have negotiated and have reached settlement of the issues raised in the complaint and entered into a consent decree to resolve the claims alleged in the complaint. The City has undertaken and continues to undertake remedial measures as specified in the consent decree and has paid civil penalties in previous years. While the City is making efforts to resolve violations and comply with the consent decree, civil penalties can be assessed if the City does not comply. The City has not accrued additional penalties as of October 31, 2014.

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representative. The City's management believes that any liability for reimbursement which may arise as the result of these audits would not be material to the financial statements.

The City is a defendant in various lawsuits. According to legal counsel for the City, there is adequate insurance on all cases where monetary damages are sought, and in those cases where there is an excess liability question or no coverage, the City would be adequately protected by the

## NOTES TO BASIC FINANCIAL STATEMENTS

sovereign immunity clause of the Louisiana Constitution.

The City is subject to certain legal proceedings which have arisen in the ordinary course of its operations. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material effect on the financial condition of the City.

### Note 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to cover any claims related to these risks.

### Note 11. Sewerage Fund

Public Improvement and General Obligation Bonds were issued to construct and/or improve the sewer system. These bonds are payable from sales and ad valorem taxes, respectively. The City issued general obligation refunding bonds payable from ad valorem taxes, and LLGEFCDA revenue refunding bonds, payable from lawfully available funds, to refund a portion of these outstanding General Obligation Bonds and all of the Public Improvement Bonds, respectively.

The total debt outstanding at October 31, 2014 that was issued to construct and/or improved the sewer system or refund such debt and is reflected as a liability of the governmental activities was \$12,835,000. If these were sewer revenue bonds, the liability would be reflected as a liability of the business-type activities. In addition, the assets constructed with these bond proceeds are properly reflected in the Sewerage Fund with an equal amount recorded as capital contributions.

The debt payments for the year ended October 31, 2014 related to these bonds are reflected in the General Obligation Debt Service Fund and the 2010 Sinking Fund.

All operating revenues and expenses related to the Sewerage Fund are properly reflected in that fund.

### Note 12. Postemployment Benefits Other Than Pensions

#### Plan description:

The City extends medical benefits to qualifying employees upon actual retirement through a fully-insured plan.

A covered employee is an employee of the City, an employee of a New Iberia City Court, or an elected official of the City who attains retirement eligibility (DROP entry). A covered employee may retire upon attainment of the earliest retirement age provided by the respective retirement plan under which the employee participates as detailed in Note 8. Additionally, an employee must have been in continuous covered

## NOTES TO BASIC FINANCIAL STATEMENTS

employment for the immediate 10 years prior to retirement and participated in the healthcare plan for the immediate two years prior to retirement. There are other provisions for approved disability retirement and elected officials.

### Contribution rates:

Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

### Fund policy:

Until fiscal year 2009, the City recognized the cost of providing postemployment medical benefits (City's portion of retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the postemployment benefits on a pay-as-you-go basis.

Effective with the fiscal year beginning November 1, 2008, the City implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs. In fiscal year 2014 and 2013, the City's portion of health care funding cost for retired employees totaled \$226,137 and \$209,386, respectively. This amount was applied toward the net OPEB Benefit Obligation as shown in the table below.

### Annual required contribution:

The City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the normal cost plus the amortization of the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open method amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the postemployment benefits. The actuarially computed ARC is as follows:

Normal cost	\$ 83,612
30-year UAL amortization amount	<u>-</u>
Annual required contribution	<u>\$ 83,612</u>

# NOTES TO BASIC FINANCIAL STATEMENTS

## Net postemployment benefit obligation:

The table below shows the City's net OPEB obligation for the fiscal year ending October 31, 2014:

a. Beginning net OPEB obligation at November 1, 2013	<u>\$4,678,470</u>
b. Annual required contribution (ARC)	\$ 83,612
c. Interest on net OPEB obligation (a. X 4%)	187,138
d. ARC amortization adjustment	<u>(270,556)</u>
e. OPEB cost	\$ 194
f. Employer contribution (current year retiree premium)	<u>(226,137)</u>
g. Change in net OPEB obligation	<u>\$ (225,943)</u>
Ending net OPEB obligation at October 31, 2014 (a. + h.)	<u><u>\$4,452,527</u></u>

The City's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability is as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability</u>
October 31, 2014	\$ 194		\$ 4,452,527
October 31, 2013	\$ (14,435)		\$ 4,678,470
October 31, 2012	\$ 1,817,742	16.37%	\$ 5,318,557
October 31, 2011	\$ 1,759,287	16.93%	\$ 3,798,300

## Funding status and funding progress:

The City made no contributions to its postemployment benefits plan during the years ended October 31, 2014 and 2013. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the November 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) as of October 31, 2014 was \$4,865,609, which is defined as that portion, as determined by a particular actuarial cost method, (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

Actuarial Accrued Liability	\$ 4,865,609
Actuarial Value of Plan Assets (AVP)	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,865,609</u>
Funded Ratio (AVP/AAL)	0.00%
Covered Payroll (active plan members)	\$ 5,711,669
UAAL as a percentage of covered payroll	85.19%

## Actuarial methods and assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

## NOTES TO BASIC FINANCIAL STATEMENTS

The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) healthcare cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

### Actuarial cost method:

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions including the investment rate of return assumption (discount rate), mortality, and turnover.

### Actuarial value of plan assets:

There are no plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be utilized.

### Post employment benefit plan eligibility requirements:

Based on past experience and retirement patterns, it has been assumed that entitlement to employer-paid retiree medical benefits will commence five years after DROP entry, as described above under "plan description" (three years in DROP and two additional years) and in Note 8. Medical benefits are provided to employees upon actual retirement.

### Turnover rate:

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 15%.

## NOTES TO BASIC FINANCIAL STATEMENTS

### Investment return assumption (discount rate):

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan that is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

### Health care cost trend rate:

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

### Mortality rate:

The 1994 Group Annuity Reserving (94GAR) tables, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates has been used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

### Method of determining value of benefits:

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. For the Fire Department only, the employer pays for a variable percentage of the retiree medical coverage (for retirees only, not dependents) based on length of service at retirement, but it is based on the blended active/retired rate. For those retiring with at least 20 years of service, the retiree pays 0% of the blended rate; for at least 10 years of service but less than 20 years, the retiree pays 50% of the blended rate, for less than 10 years of service, the retiree pays 100% of the blended rate. For those retirees of City departments other than the Fire Department, the retiree pays 100% of the "cost" but also based on the blended rate and there is thus an implied subsidy for those retirees.

Effective during fiscal year ended October 31, 2013, the City is only paying a portion of retiree health insurance coverage for the Fire Department retirees. In the past, the City contributed a percentage of retiree health insurance coverage for all City departments.

Since GASB 45 mandates that "unblended" rates applicable to the coverage provided to retirees be used, we have estimated the total "unblended" rates for retirees before Medicare eligibility to be 130% of the blended active/retired rate, with the employer assumed to pay the difference between that unblended rate and the retiree contribution of the blended rate as discussed above. We have used the unblended rates which were provided for after Medicare eligibility.

# NOTES TO BASIC FINANCIAL STATEMENTS

## Inflation rate:

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

## Projected salary increases:

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

## Post-retirement benefit increases:

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

## Note 13. Compensation Paid to City Council Members

Calvin Begnaud	\$ 11,077
Dan Doerle	12,231
Peggy Gerac	11,077
Raymond Lewis	11,077
Natalie Lopez	11,077
David Merrill	11,077
Robert Suire	<u>11,077</u>
	<u>\$ 78,693</u>

## Note 14. Prior Period Adjustments

During the current year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This standard requires that bond issuance costs be recognized as an expenditure in the current period. As a result, assets and net position were reduced in both governmental and business-type activities as detailed below.

Additionally, it was determined that \$198,388 of sewer accounts receivable had not been recorded in the financial statements. Accordingly, assets and net position were increased in business-type activities to account for this transaction as detailed below.

	Governmental Activities	Business- Type Activities
Net position, October 31, 2013, as previously reported	\$ 27,399,078	\$ 40,159,840
Prior period adjustments:		
Bond issue costs	(705,309)	(176,922)
Sewer user fee receivable	<u>-</u>	<u>198,388</u>
Net position, October, 31, 2013, as restated	<u>\$ 26,693,769</u>	<u>\$ 40,181,306</u>

## NOTES TO BASIC FINANCIAL STATEMENTS

### Note 15. New Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the pension plans for the year ending June 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the City for the year ending October 31, 2015. The effect of implementation on the City's financial statements has not yet been determined.

### Note 16. Compensation to Agency Head

Salary	\$ 86,595
Benefits - insurance	11,867
Benefits - retirement	16,536
Benefits - medicare	1,389
Car allowance	12,000
Registration fees	465
Conference travel (hotel)	<u>800</u>
	<u>\$ 129,652</u>

### Note 17. Subsequent Event Review

The City's management has evaluated subsequent events through April 1, 2015, the date which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the Year Ended October 31, 2014

With Comparative Actual Totals for the Year Ended October 31, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:					
Taxes -					
Ad valorem	\$ 1,127,935	\$ 1,127,935	\$ 1,144,003	\$ 16,068	\$ 1,111,348
Sales and use	1,826,000	1,826,000	1,868,899	42,899	1,861,358
Franchise	1,721,000	1,721,000	1,840,316	119,316	1,801,991
Licenses	1,426,500	1,426,500	1,566,996	140,496	1,521,636
Permits	168,440	168,440	240,808	72,368	208,167
Intergovernmental -					
Federal	252,519	242,683	250,238	7,555	36,238
State	164,925	164,925	452,188	287,263	81,608
Local	44,250	44,250	45,514	1,264	52,231
Charges for services	21,375	21,375	44,377	23,002	60,336
Fines and forfeitures	-	-	4,145	4,145	6,302
Investment income	13,550	13,550	16,153	2,603	15,425
Miscellaneous	-	-	4,907	4,907	6,997
Total revenues	<u>\$ 6,766,494</u>	<u>\$ 6,756,658</u>	<u>\$ 7,478,544</u>	<u>\$ 721,886</u>	<u>\$ 6,763,637</u>
Expenditures:					
Current -					
General government	\$ 2,186,324	\$ 2,215,500	\$ 2,034,485	\$ 181,015	\$ 2,287,510
Public safety	11,281,173	11,306,201	11,052,905	253,296	10,779,916
Culture and recreation	18,666	18,666	19,324	(658)	18,691
Capital outlay	<u>319,410</u>	<u>294,296</u>	<u>294,296</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$13,805,573</u>	<u>\$13,834,663</u>	<u>\$13,401,010</u>	<u>\$ 433,653</u>	<u>\$13,086,117</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (7,039,079)</u>	<u>\$ (7,078,005)</u>	<u>\$ (5,922,466)</u>	<u>\$ 1,155,539</u>	<u>\$ (6,322,480)</u>
Other financing sources (uses):					
Transfers from other funds	\$ 8,874,851	\$ 8,874,851	\$ 8,695,099	\$ (179,752)	\$ 8,711,876
Transfers to other funds	(2,129,248)	(2,678,829)	(2,314,374)	364,455	(1,985,776)
Proceeds from sale of assets	-	-	-	-	2,942
Total other financing sources (uses)	<u>\$ 6,745,603</u>	<u>\$ 6,196,022</u>	<u>\$ 6,380,725</u>	<u>\$ 184,703</u>	<u>\$ 6,729,042</u>
Net change in fund balance	<u>\$ (293,476)</u>	<u>\$ (881,983)</u>	<u>\$ 458,259</u>	<u>\$ 1,340,242</u>	<u>\$ 406,562</u>
Fund balance, beginning	<u>5,022,683</u>	<u>5,652,566</u>	<u>5,652,566</u>	<u>-</u>	<u>5,246,004</u>
Fund balance, ending	<u><u>\$ 4,729,207</u></u>	<u><u>\$ 4,770,583</u></u>	<u><u>\$ 6,110,825</u></u>	<u><u>\$ 1,340,242</u></u>	<u><u>\$ 5,652,566</u></u>

See Note to Budgetary Comparison Schedules.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
SALES TAX FUND

For the Year Ended October 31, 2014

With Comparative Actual Totals for the Year Ended October 31, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:					
Taxes -					
Sales and use	\$9,131,000	\$9,131,000	\$9,344,494	\$ 213,494	\$9,306,790
Investment income	3,360	3,360	2,731	(629)	7,153
Total revenues	<u>\$9,134,360</u>	<u>\$9,134,360</u>	<u>\$9,347,225</u>	<u>\$ 212,865</u>	<u>\$9,313,943</u>
Expenditures:					
Current -					
General government	<u>\$ 75,000</u>	<u>\$ 85,000</u>	<u>\$ 85,729</u>	<u>\$ (729)</u>	<u>\$ 70,210</u>
Excess of revenues over expenditures	\$9,059,360	\$9,049,360	\$9,261,496	\$ 212,136	\$9,243,733
Other financing uses:					
Transfers to other funds	<u>(9,672,774)</u>	<u>(9,662,774)</u>	<u>(9,493,422)</u>	<u>169,352</u>	<u>(8,529,311)</u>
Net change in fund balance	\$ (613,414)	\$ (613,414)	\$ (231,926)	\$ 381,488	\$ 714,422
Fund balance, beginning	<u>848,254</u>	<u>848,254</u>	<u>1,021,966</u>	<u>173,712</u>	<u>307,544</u>
Fund balance, ending	<u><u>\$ 234,840</u></u>	<u><u>\$ 234,840</u></u>	<u><u>\$ 790,040</u></u>	<u><u>\$ 555,200</u></u>	<u><u>\$1,021,966</u></u>

See Note to Budgetary Comparison Schedules.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
GARBAGE FUND

For the Year Ended October 31, 2014

With Comparative Actual Totals for the Year Ended October 31, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:					
Taxes -					
Sales and use	\$3,652,000	\$3,652,000	\$3,737,798	\$ 85,798	\$3,722,716
Investment income	510	510	1,071	561	1,100
Miscellaneous	280,000	280,000	276,000	(4,000)	720,000
Total revenues	<u>\$3,932,510</u>	<u>\$3,932,510</u>	<u>\$4,014,869</u>	<u>\$ 82,359</u>	<u>\$4,443,816</u>
Expenditures:					
Current -					
General government	\$ 30,000	\$ 30,000	\$ 34,292	\$ (4,292)	\$ 28,084
Public works	3,893,701	3,893,701	3,893,701	-	3,719,733
Total expenditures	<u>\$3,923,701</u>	<u>\$3,923,701</u>	<u>\$3,927,993</u>	<u>\$ (4,292)</u>	<u>\$3,747,817</u>
Net change in fund balance	\$ 8,809	\$ 8,809	\$ 86,876	\$ 78,067	\$ 695,999
Fund balance, beginning	3,696	3,696	5,713	2,017	(690,286)
Fund balance, ending	<u>\$ 12,505</u>	<u>\$ 12,505</u>	<u>\$ 92,589</u>	<u>\$ 80,084</u>	<u>\$ 5,713</u>

See Note to Budgetary Comparison Schedules.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

NOTE TO BUDGETARY COMPARISON SCHEDULES

Note 1. Budgets and Budgetary Accounting

City of New Iberia follows the procedures detailed below in adopting its budget.

1. At least 45 days prior to the beginning of each fiscal year, the Mayor is required to submit to the City Council a proposed budget in the form required by the Charter.
2. A public hearing is required to be conducted to obtain taxpayer comments and notice thereof is published in the official journal at least 10 days prior to such hearing. The notification is to include the time and place of the public hearing in addition to a general summary of the proposed budget.
3. Final adoption of the budget is required to be not later than October 31 of the fiscal year for the ensuing fiscal year.
4. Formal budgetary integration is employed as a management control device during the year for all funds. No payment can be made or obligated against any appropriation unless the Mayor or her designee first certifies that sufficient unencumbered funds are or will be available to meet the obligation when it becomes due and payable. In practice, this has generally been interpreted (due to the flexibility for intra departmental transfer of line item appropriations) to mean control at the departmental/fund level. Intra departmental transfers are approved by the Mayor or her designee. Budget adjustments which involve changes to total revenues and/or expenditures/expenses require Council approval.
5. Those budgets which the City adopts are on a basis consistent with generally accepted accounting principles as applied to governmental units.
6. All appropriations, except for capital outlays, lapse at the close of the fiscal year to the extent that they have not been expended or encumbered. Appropriations for capital outlays lapse after completion of the project.

All budgeted amounts presented reflect the original budget and the final budget (which have been adjusted for legally authorized revisions during the year).

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

OTHER POST-EMPLOYMENT BENEFITS (OPEB)  
FUNDED STATUS AND FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Valuation of Plan Assets</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
11/1/2008	\$13,829,426	\$ -	\$13,829,426	0.00%	N/A	N/A
11/1/2009	\$15,833,233	\$ -	\$15,833,233	0.00%	\$6,701,514	236.26%
11/1/2010	\$17,367,581	\$ -	\$17,367,581	0.00%	\$6,920,993	250.94%
11/1/2011	\$19,350,432	\$ -	\$19,350,432	0.00%	\$6,728,439	287.59%
11/1/2013	\$ 4,678,470	\$ -	\$ 4,678,470	0.00%	\$5,883,978	79.51%

See Note 12 in Notes to Basic Financial Statements section for additional information.

OTHER SUPPLEMENTARY INFORMATION

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
October 31, 2014

ASSETS	Special Revenue		
	Parks and Recreation	Public Works	Section 8 Housing Voucher Program
Cash	\$ 88,712	\$ 139,021	\$ 116,728
Accounts receivable	199	4,624	-
Assessments receivable	-	-	-
Due from other governmental agencies	-	51,317	-
Due from other funds	-	11,113	-
Total assets	<u>\$ 88,911</u>	<u>\$ 206,075</u>	<u>\$ 116,728</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Overdraft	\$ -	\$ -	\$ -
Accounts and other payables	35,091	97,557	4,489
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>\$ 35,091</u>	<u>\$ 97,557</u>	<u>\$ 4,489</u>
Fund balances:			
Restricted for -			
Construction of capital assets	\$ -	\$ -	\$ -
Use in accordance with tax ordinances	53,820	108,518	-
Purpose of grantors, trustees and donors	-	-	112,239
Debt service	-	-	-
Drainage	-	-	-
Assigned to -			
Disaster relief	-	-	-
Total fund balances	<u>\$ 53,820</u>	<u>\$ 108,518</u>	<u>\$ 112,239</u>
Total liabilities and fund balances	<u>\$ 88,911</u>	<u>\$ 206,075</u>	<u>\$ 116,728</u>

Special Revenue	Debt Service					
Disaster Relief	General Obligation Debt Service	Debt Service	Spanish Towne Paving Assessments	Spanish Towne Sewerage Assessments	2009 Sinking Fund	
\$ 283,186	\$ 232,026	\$ 12,853	\$ 376	\$ 743	\$ 377,290	
-	-	-	-	-	-	
-	-	-	175,500	24,300	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 283,186</u>	<u>\$ 232,026</u>	<u>\$ 12,853</u>	<u>\$ 175,876</u>	<u>\$ 25,043</u>	<u>\$ 377,290</u>	C
						O
						N
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,265	T
-	-	-	-	-	-	
-	-	-	-	-	-	I
-	-	-	175,500	24,300	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,500</u>	<u>\$ 24,300</u>	<u>\$ 5,265</u>	N
						U
						E
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	D
-	-	-	-	-	-	
-	232,026	12,853	376	743	372,025	
-	-	-	-	-	-	
<u>283,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ 283,186</u>	<u>\$ 232,026</u>	<u>\$ 12,853</u>	<u>\$ 376</u>	<u>\$ 743</u>	<u>\$ 372,025</u>	
<u>\$ 283,186</u>	<u>\$ 232,026</u>	<u>\$ 12,853</u>	<u>\$ 175,876</u>	<u>\$ 25,043</u>	<u>\$ 377,290</u>	

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
October 31, 2014

	Debt Service	Capital Projects	
	2010 Sinking Fund	Construction	Drainage
ASSETS			
Cash	\$ 552,961	\$ 1,839,259	\$ 3,092,899
Accounts receivable	-	-	-
Assessments receivable	-	-	-
Due from other governmental agencies	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 552,961</u>	<u>\$ 1,839,259</u>	<u>\$ 3,092,899</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Overdraft	\$ 13,575	\$ -	\$ -
Accounts and other payables	-	-	31,441
Due to other funds	-	-	-
Unearned revenue	-	100,000	-
Total liabilities	<u>\$ 13,575</u>	<u>\$ 100,000</u>	<u>\$ 31,441</u>
Fund balances:			
Restricted for -			
Construction of capital assets	\$ -	\$ 1,739,259	\$ -
Use in accordance with tax ordinances	-	-	-
Purpose of grantors, trustees and donors	-	-	-
Debt service	539,386	-	-
Drainage	-	-	3,061,458
Assigned to -			
Disaster relief	-	-	-
Total fund balances	<u>\$ 539,386</u>	<u>\$ 1,739,259</u>	<u>\$ 3,061,458</u>
Total liabilities and fund balances	<u>\$ 552,961</u>	<u>\$ 1,839,259</u>	<u>\$ 3,092,899</u>

Captial Projects

<u>2006 Street Program</u>	<u>2009 Bonds Street Construction</u>	<u>2010 Bonds Street Construction</u>	<u>CDBG</u>	<u>Totals</u>
\$ 18,466	\$ 512,160	\$ 1,491,860	\$ 12,573	\$ 8,771,113
-	-	-	-	4,823
-	-	-	-	199,800
-	-	-	23,244	74,561
-	-	-	-	11,113
<u>\$ 18,466</u>	<u>\$ 512,160</u>	<u>\$ 1,491,860</u>	<u>\$ 35,817</u>	<u>\$ 9,061,410</u>

\$ -	\$ -	\$ -	\$ -	\$ 18,840
-	-	15,566	23,244	207,388
-	-	11,113	-	11,113
-	-	-	-	299,800
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,679</u>	<u>\$ 23,244</u>	<u>\$ 537,141</u>

\$ 18,466	\$ 512,160	\$ 1,465,181	\$ 12,573	\$ 3,747,639
-	-	-	-	162,338
-	-	-	-	112,239
-	-	-	-	1,157,409
-	-	-	-	3,061,458
-	-	-	-	283,186
<u>\$ 18,466</u>	<u>\$ 512,160</u>	<u>\$ 1,465,181</u>	<u>\$ 12,573</u>	<u>\$ 8,524,269</u>
<u>\$ 18,466</u>	<u>\$ 512,160</u>	<u>\$ 1,491,860</u>	<u>\$ 35,817</u>	<u>\$ 9,061,410</u>

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended October 31, 2014

	Special Revenue		
	Parks and Recreation	Public Works	Section 8 Housing Voucher Program
Revenues:			
Taxes -			
Ad valorem	\$ 586,868	\$ 572,990	\$ -
Intergovernmental -			
Federal	1,000	19,343	1,148,785
State	-	32,350	-
Local	-	-	-
Charges for services	167,023	6,921	-
Investment income	712	1,118	557
Miscellaneous	15,187	36,669	-
Total revenues	<u>\$ 770,790</u>	<u>\$ 669,391</u>	<u>\$ 1,149,342</u>
Expenditures:			
Current -			
General government	\$ -	\$ -	\$ -
Public works	-	2,130,696	-
Culture and recreation	1,044,193	-	-
Urban redevelopment and housing	-	-	1,182,924
Debt service -			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	33,930	-
Total expenditures	<u>\$ 1,044,193</u>	<u>\$ 2,164,626</u>	<u>\$ 1,182,924</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (273,403)</u>	<u>\$ (1,495,235)</u>	<u>\$ (33,582)</u>
Other financing sources (uses):			
Transfers from other funds	\$ 312,569	\$ 1,535,792	\$ -
Transfers to other funds	-	-	-
Proceeds from sale of assets	194	-	-
Total other financing sources (uses)	<u>\$ 312,763</u>	<u>\$ 1,535,792</u>	<u>\$ -</u>
Net change in fund balances	\$ 39,360	\$ 40,557	\$ (33,582)
Fund balances, beginning	<u>14,460</u>	<u>67,961</u>	<u>145,821</u>
Fund balances, ending	<u>\$ 53,820</u>	<u>\$ 108,518</u>	<u>\$ 112,239</u>

Special Revenue	Debt Service					
Disaster Relief	General Obligation Debt Service	Debt Service	Spanish Towne Paving Assessments	Spanish Towne Sewerage Assessments	2009 Sinking Fund	
\$ -	\$ 1,367,985	\$ 699,944	\$ -	\$ -	\$ -	
17,457	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
1,353	1,346	-	7,605	1,053	18	
-	-	-	31,824	4,525	-	
<u>\$ 18,810</u>	<u>\$ 1,369,331</u>	<u>\$ 699,944</u>	<u>\$ 39,429</u>	<u>\$ 5,578</u>	<u>\$ 18</u>	C
						O
\$ -	\$ 2,854	\$ -	\$ -	\$ -	\$ -	N
-	-	-	-	-	-	
-	-	-	-	-	-	T
-	-	-	-	-	-	
-	885,000	210,000	58,500	8,100	220,000	I
-	428,942	69,495	10,238	1,426	297,335	N
-	-	-	-	-	-	
<u>\$ -</u>	<u>\$ 1,316,796</u>	<u>\$ 279,495</u>	<u>\$ 68,738</u>	<u>\$ 9,526</u>	<u>\$ 517,335</u>	U
						E
<u>\$ 18,810</u>	<u>\$ 52,535</u>	<u>\$ 420,449</u>	<u>\$ (29,309)</u>	<u>\$ (3,948)</u>	<u>\$ (517,317)</u>	D
\$ -	\$ -	\$ -	\$ 29,162	\$ 3,800	\$ 889,315	
(589,657)	-	(407,596)	-	-	-	
-	-	-	-	-	-	
<u>\$ (589,657)</u>	<u>\$ -</u>	<u>\$ (407,596)</u>	<u>\$ 29,162</u>	<u>\$ 3,800</u>	<u>\$ 889,315</u>	
\$ (570,847)	\$ 52,535	\$ 12,853	\$ (147)	\$ (148)	\$ 371,998	
854,033	179,491	-	523	891	27	
<u>\$ 283,186</u>	<u>\$ 232,026</u>	<u>\$ 12,853</u>	<u>\$ 376</u>	<u>\$ 743</u>	<u>\$ 372,025</u>	

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
For the Year Ended October 31, 2014

	Debt Service	Capital Projects	
	2010 Sinking Fund	Construction	Drainage
Revenues:			
Taxes -			
Ad valorem	\$ -	\$ -	\$ -
Intergovernmental -			
Federal	-	-	-
State	-	32,474	-
Local	-	-	1,097,842
Charges for services	-	-	-
Investment income	36	4,053	6,426
Miscellaneous	-	-	160
Total revenues	<u>\$ 36</u>	<u>\$ 36,527</u>	<u>\$ 1,104,428</u>
Expenditures:			
Current -			
General government	\$ 6,600	\$ -	\$ -
Public works	-	-	101,127
Culture and recreation	-	-	-
Urban redevelopment and housing	-	-	-
Debt service -			
Principal	610,000	-	-
Interest	206,150	-	-
Capital outlay	-	7,264	890,402
Total expenditures	<u>\$ 822,750</u>	<u>\$ 7,264</u>	<u>\$ 991,529</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (822,714)</u>	<u>\$ 29,263</u>	<u>\$ 112,899</u>
Other financing sources (uses):			
Transfers from other funds	\$ 1,362,100	\$ -	\$ -
Transfers to other funds	-	-	(19,532)
Proceeds from sale of assets	-	-	-
Total other financing sources (uses)	<u>\$ 1,362,100</u>	<u>\$ -</u>	<u>\$ (19,532)</u>
Net change in fund balances	\$ 539,386	\$ 29,263	\$ 93,367
Fund balances, beginning	<u>-</u>	<u>1,709,996</u>	<u>2,968,091</u>
Fund balances, ending	<u>\$ 539,386</u>	<u>\$ 1,739,259</u>	<u>\$ 3,061,458</u>

Capital Projects				
2006 Street Program	2009 Bonds Street Construction	2010 Bonds Street Construction	CDBG	Totals
\$ -	\$ -	\$ -	\$ -	\$ 3,227,787
-	-	-	399,600	1,586,185
-	-	-	-	64,824
-	-	-	-	1,097,842
-	-	-	-	173,944
8	51	158	-	24,494
-	-	-	-	88,365
<u>\$ 8</u>	<u>\$ 51</u>	<u>\$ 158</u>	<u>\$ 399,600</u>	<u>\$ 6,263,441</u>
\$ -	\$ 3,300	\$ -	\$ -	\$ 12,754
-	-	95,133	-	2,326,956
-	-	-	-	1,044,193
-	-	-	-	1,182,924
-	-	-	-	1,991,600
-	-	-	-	1,013,586
-	-	59,341	399,600	1,390,537
<u>\$ -</u>	<u>\$ 3,300</u>	<u>\$ 154,474</u>	<u>\$ 399,600</u>	<u>\$ 8,962,550</u>
<u>\$ 8</u>	<u>\$ (3,249)</u>	<u>\$ (154,316)</u>	<u>\$ -</u>	<u>\$ (2,699,109)</u>
\$ -	\$ 3,300	\$ -	\$ -	\$ 4,136,038
-	-	(26,436)	-	(1,043,221)
-	-	-	-	194
<u>\$ -</u>	<u>\$ 3,300</u>	<u>\$ (26,436)</u>	<u>\$ -</u>	<u>\$ 3,093,011</u>
\$ 8	\$ 51	\$ (180,752)	\$ -	\$ 393,902
<u>18,458</u>	<u>512,109</u>	<u>1,645,933</u>	<u>12,573</u>	<u>8,130,367</u>
<u>\$ 18,466</u>	<u>\$ 512,160</u>	<u>\$ 1,465,181</u>	<u>\$ 12,573</u>	<u>\$ 8,524,269</u>

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - EXPENDITURES

GENERAL FUND

For the Year Ended October 31, 2014

With Comparative Actual Totals for the Year Ended October 31, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Current:					
General government -					
Salaries	\$ 922,678	\$ 922,678	\$ 925,335	\$ (2,657)	\$ 1,016,293
Payroll taxes	17,600	17,747	16,947	800	17,866
Retirement	158,247	158,100	157,674	426	157,534
Unemployment compensation	-	371	371	-	2,717
Workers compensation	2,281	2,281	1,187	1,094	2,612
Group insurance	162,313	166,989	153,386	13,603	166,787
Contracted services	274,595	281,043	188,941	92,102	304,237
Dues and subscriptions	5,678	5,938	5,928	10	9,463
Insurance	327,650	328,020	305,828	22,192	307,054
Miscellaneous	25,575	24,945	6,521	18,424	32,152
Nonprofit allocations	20,960	36,960	40,960	(4,000)	28,891
Office expense	54,782	56,813	28,516	28,297	42,332
Repairs and maintenance	92,565	92,215	85,414	6,801	77,252
Travel and training	7,800	7,800	3,980	3,820	2,839
Utilities and telephone	113,600	113,600	113,497	103	119,481
Total general government	\$ 2,186,324	\$ 2,215,500	\$ 2,034,485	\$ 181,015	\$ 2,287,510
Public safety -					
Salaries	\$ 2,728,045	\$ 2,728,045	\$ 2,823,311	\$ (95,266)	\$ 2,592,943
Payroll taxes	35,950	35,950	34,313	1,637	34,227
Retirement	815,879	815,879	730,623	85,256	649,011
Workers compensation	209,870	209,870	112,501	97,369	159,471
Group insurance	731,352	756,380	714,085	42,295	703,727
Contracted services	6,241,187	6,239,787	6,219,867	19,920	6,213,547
Dues and subscriptions	2,300	3,200	3,010	190	2,314
Insurance	44,500	44,500	30,186	14,314	47,934
Jail	235,000	235,000	209,204	25,796	223,897
Miscellaneous	1,600	2,150	1,818	332	2,083
Office expense	9,450	9,975	6,847	3,128	2,080
Repairs and maintenance	143,300	142,725	104,866	37,859	100,170
Travel and training	35,500	35,500	17,921	17,579	2,564
Utilities and telephone	47,240	47,240	44,353	2,887	45,948
Total public safety	\$11,281,173	\$11,306,201	\$11,052,905	\$ 253,296	\$10,779,916
Culture and recreation -					
Contracted services	\$ 264	\$ 264	\$ 264	\$ -	\$ 264
Repairs and maintenance	5,660	5,660	5,305	355	6,050
Utilities and telephone	12,742	12,742	13,755	(1,013)	12,377
Total culture & recreation	\$ 18,666	\$ 18,666	\$ 19,324	\$ (658)	\$ 18,691
Capital outlay	\$ 319,410	\$ 294,296	\$ 294,296	\$ -	\$ -
Total expenditures	\$13,805,573	\$13,834,663	\$13,401,010	\$ 433,653	\$13,086,117

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - EXPENDITURES  
PARKS AND RECREATION FUND

For the Year Ended October 31, 2014

With Comparative Actual Totals for the Year Ended October 31, 2013

	2014				2013
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Current:					
Culture and recreation -					
Salaries	\$ 508,306	\$ 537,286	\$ 531,388	\$ 5,898	\$ 582,740
Payroll taxes	10,395	12,588	13,155	(567)	13,481
Retirement	84,996	84,996	83,217	1,779	86,570
Unemployment compensation	5,000	7,964	8,161	(197)	21,864
Workers compensation	29,868	16,401	16,121	280	(4,140)
Group insurance	106,733	106,656	106,384	272	119,745
Contracted services	10,642	10,664	9,817	847	20,622
Dues and subscriptions	250	250	-	250	249
Insurance	8,100	10,500	12,176	(1,676)	13,626
Miscellaneous	2,000	2,000	-	2,000	580
Programs	49,000	35,000	33,738	1,262	58,641
Office expense	7,600	8,251	5,973	2,278	2,515
Repairs and maintenance	149,950	162,210	118,936	43,274	107,013
Travel and training	750	750	110	640	200
Utilities and telephone	126,000	126,048	105,017	21,031	114,612
Total culture & recreation	\$1,099,590	\$1,121,564	\$1,044,193	\$ 77,371	\$1,138,318
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ 9,553
Total expenditures	\$1,099,590	\$1,121,564	\$1,044,193	\$ 77,371	\$1,147,871

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - EXPENDITURES  
PUBLIC WORKS FUND

For the Year Ended October 31, 2014

With Comparative Actual Totals for the Year Ended October 31, 2013

	2014			2013
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative) Actual
Current:				
Public works -				
Salaries	\$ 888,188	\$ 888,188	\$ 783,391	\$ 104,797
Payroll taxes	12,700	12,700	12,554	146
Retirement	161,740	161,740	136,664	25,076
Unemployment compensation	10,000	5,000	-	5,000
Workers compensation	54,783	54,783	18,504	36,279
Group insurance	233,663	235,366	196,311	39,055
Contracted services	45,300	75,631	51,777	23,854
Insurance	55,000	55,000	27,465	27,535
Miscellaneous	2,500	2,500	944	1,556
Office expense	3,350	2,230	1,266	964
Repairs and maintenance	337,360	347,223	321,303	25,920
Streets, signs and drainage	100,000	88,060	68,424	19,636
Utilities and telephone	522,940	522,940	512,093	10,847
Total public works	\$2,427,524	\$2,451,361	\$2,130,696	\$ 320,665
Capital outlay	\$ -	\$ 34,198	\$ 33,930	\$ 268
Total expenditures	\$2,427,524	\$2,485,559	\$2,164,626	\$ 320,933

COMPLIANCE AND OTHER GRANT INFORMATION

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## The Honorable Hilda Curry and Members of the City Council City of New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of New Iberia, Louisiana (the City) as of and for the year ended October 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 1, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Accounting Standards*.

## **The City of New Iberia, Louisiana's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

New Iberia, Louisiana  
April 1, 2015

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Hilda Curry  
and Members of the City Council  
City of New Iberia, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited the City of New Iberia, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended October 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended October 31, 2014.

## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

New Iberia, Louisiana  
April 1, 2015

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended October 31, 2014

Section I. Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: unmodified.

Internal control over financial reporting:

- Material weakness identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ No

Noncompliance or other matters material to financial statements noted? ☐ Yes ☒ No

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ No

Type of auditors' report issued on compliance for major programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.228	Community Development Block Grants - State's Program
66.458	Capitalization Grants for Clean Water State Revolving Funds
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. Management Letter

**#2014-ML-001 Ad Valorem Millages**

Comment: The City should monitor millages periodically to ensure that ad valorem revenues are not over collected.

Response: Each year, before levying the millages, the City calculates and verifies the millage rates as appropriate in order to ensure that revenues are not being over collected.

**#2014-ML-002 New Iberia City Marshal**

Comment: The New Iberia City Marshal did not maintain proper documentation for some expenditures.

Response: In the future, proper documentation will be maintained for all expenditures by the New Iberia City Marshal.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended October 31, 2014

Section I. Internal Control and Compliance Material to the Financial Statements

**#2013-001 General Obligation Debt Service**

Recommendation: The City should roll back the millage to the amounts required for debt service on the qualified indebtedness stated in the tax proposition authorized by the voters.

Current Status: This finding is considered resolved. For the 2013 tax year, the general obligation levy was rolled back to 6.88 mills.

**#2013-002 Occupational Licenses**

Recommendation: The City should charge and collect interest and penalties on all delinquent occupational licenses.

Current Status: This finding is considered resolved.

**#2013-003 Budget Violations**

Recommendation: The City should ensure that the budget document is properly prepared and published in accordance with the state budget laws.

Current Status: This finding is considered resolved.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

There was no management letter in the prior year's audit report.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended October 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures	Amounts Provided to Subrecipients
DIRECT PROGRAMS:			
U.S. Department of Housing and Urban Development - Section 8 Housing Choice Vouchers	14.871	\$ 1,171,715	\$ -
PASS-THROUGH PROGRAMS:			
U.S. Department of Environmental Protection Agency - Louisiana Department of Environmental Quality: Capitalization Grants for Clean Water State Revolving Funds*	66.458	617,545	-
U.S. Department of Homeland Security - Louisiana Department of Homeland Security: Hazard Mitigation Grant*	97.039	493,973	-
U.S. Department of Housing and Urban Development - Local Housing Authorities: Section 8 Housing Choice Vouchers	14.871	11,209	-
Louisiana Division of Administration: Community Development Block Grants - State's Program*	14.228	399,600	
Louisiana Housing Corporation: Emergency Shelter Grant	14.231	26,739	25,961
U.S. Department of Interior - Louisiana Office of Facility Planning and Control: Sport Fish Restoration Program	15.605	217,898	-
U.S. Department of Labor - Acadiana Works: Local Workforce Investment Act	17.258	4,997	-
U.S. Federal Highway Administration - Louisiana Department of Transportation and Development: Transportation Enhancement Grants	20.205	<u>12,339</u>	<u>-</u>
Total Federal Awards		<u>\$ 2,956,015</u>	<u>\$ 25,961</u>

\*Indicates a major federal award program.

CITY OF NEW IBERIA  
NEW IBERIA, LOUISIANA

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
As of and For the Year Ended October 31, 2014

Note 1. General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of New Iberia and is presented on the modified accrual basis of accounting, which is described in Note 1 to financial statements of the City's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Note 2. Relationship to Financial Statements

Federal awards revenues are reported in the City's financial statements as follows:

	<u>Federal Sources</u>
Major Governmental Funds:	
General Fund	\$ 250,238
Other Governmental Funds:	
Parks and Recreation Fund	1,000
Public Works Fund	19,343
Section 8 Housing Voucher Program Fund	1,148,785
Disaster Relief Fund	17,457
CDBG Fund	399,600
Major Proprietary Fund:	
Sewerage Fund	<u>493,973</u>
	<u>\$ 2,330,396</u>

Note 3. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 4. Major Federal Awards

The dollar amount threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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Retired  
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## MANAGEMENT LETTER

The Honorable Hilda Curry, Mayor  
and Members of the City Council  
City of New Iberia, Louisiana

During our audit of the basic financial statements of the City of New Iberia for the year ended October 31, 2014 we noted two areas in which improvements in the accounting system and financial practices of the City may be desirable.

- (1) Management should monitor millages periodically to ensure that ad valorem revenues are not over collected.
- (2) The New Iberia City Marshal should maintain adequate supporting documentation for all expenditures.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any of our recommendations, please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
April 1, 2015